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# The National Underwriter

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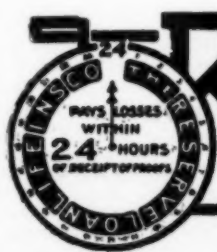
FRIDAY, DECEMBER 22, 1933

We Wish Everybody

A Merry Christmas

and

Happy New Year



**RESERVE LOAN LIFE**  
**INSURANCE COMPANY**  
**INDIANAPOLIS, INDIANA.**

# HOW YOUR COMPANY CAN MEET ONE OF 1934's URGENT PROBLEMS

*Not even second to new production is the other urgent problem of these changing times . . . the conservation of insurance in force!*

● How many of your policyholders have found it impossible to carry out their existing insurance programs? How many are on the verge of action because the premium plus the interest load on their policy loans is too heavy to carry any longer? How many are ready to consider and apply for additional protection?

● The answers to these questions are pure guesswork until personal contact is established with each policyholder. Then, and then only can your company help the insured by learning the facts of his changed circumstances and determining whether his present program or a revised program is right for him today.

● Part of our service is to reestablish this contact between you and your policyholders. The American Conservation Company, through its nation-wide field

force, is in a position to service policyholders—no matter where they may be, in the United States or Canada—in large or small companies. It makes no difference whether the service involves 1,000 or 100,000 policyholders. Moreover, we are in a position to contact promptly those thousands of policyholders who, investigations have revealed, are in localities entirely out of touch with company agents.

● By means of a new plan created by this organization, it is possible for a company to employ the American Conservation Company to rewrite business upon which there are policy loans and to reinstate on a premium-paying basis insurance now running as paid up or extended insurance—all this without making it necessary to dispose of any reserve assets to pay commissions.

● A letter will bring complete information on this plan and the service conducted by the American Conservation Company.

## AMERICAN CONSERVATION COMPANY

LIFE INSURANCE SERVICE • HERBERT G. SHIMP, PRESIDENT

307 NORTH MICHIGAN AVENUE, CHICAGO

# The National Underwriter

## LIFE INSURANCE EDITION

Thirty-Seventh Year—No. 51

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, DECEMBER 22, 1933

\$3.00 Per Year, 15 Cents a Copy

### Agents Submitting Many \$500 Risks

Development of Semi-industrial  
Business in Ordinary Branch  
Is Troublesome

#### EFFECT OF DEPRESSION

Increase Home Office Issuing Expense  
—Many Calls for Semi-annual,  
Quarterly Payment

A multitude of causes arising in the depression period appear to have developed a decided trend toward an industrial class of business submitted in the ordinary field, putting up to underwriters a situation difficult to solve in justice to all.

There has been noted in many companies this year a large percentage of applications for \$500, on many of these a semi-annual or quarterly premium arrangement being called for. On the face of it this class of business is utterly unprofitable for the ordinary company, each case involving a \$5 medical fee, \$1.50 inspection report and an estimated \$7 home office expense apportionment, or \$13.50, not counting the agent's commission. On many of these cases the companies are asked to accept first quarterly payments as low as \$1.50 and to take chances on getting any more money in face of the acknowledged fact that quarterly business lapses at least four times as much as annual.

#### Concentration on Small Risks

The tendency started with the development of sour experience on jumbo cases and greater difficulty in the depression in selling and placing larger amounts. Many of the big producers were forced to come down in a lower bracket of prospects, and the same action was taken all along the line. This served to concentrate a larger proportion of the agents in the field of prospects for small amounts.

The annual income of the country was cut from approximately \$80,000,000,000 to \$45,000,000,000 and buying power seriously reduced. Life companies, whose opportunity for profit comes from investment earnings, mortality savings and economies in overhead, saw investment profits fly out the window and mortality constantly rising. It was essential that they get an influx of new business to hold down mortality.

#### Encouraged Smaller Cases

There went out a call for smaller business, since this appeared to be the field in which the greatest opportunity for sales lay. It was found that the agents were maintaining or increasing their production through the depression by selling small policies for specific needs such as cleanup, readjustment, etc. Agencies throughout the land stressed the point, with consequent overemphasis in this field at present.

(CONTINUED ON PAGE 11)

### Figures on Lapsation After Reinstatement Are Given

#### INTERESTING RESULTS FOUND

Research Bureau Study of Companies' Experience Based on Data on  
7,000 Policies

Tabulations and percentage figures contained in the report of the Research Bureau of Hartford on a study of experience on reinstated policies are of considerable interest. The conclusions of the bureau drawn from this study were presented in THE NATIONAL UNDERWRITER last week.

The Research Bureau reported that a large eastern company made a study of persistency of business reinstated by the home office after all efforts in agencies had been unsuccessful. There was a tendency toward better persistency after reinstatement on annual premium policies, small policies and those with larger reserves. The persistency of reinstated endowment business was better than that of life or term, and life was better than term. However, lapse rate on reinstated business for two years immediately following reinstatement was more than twice as large as that on new business.

#### Figures Are Presented

Another company kept a record for several years showing proportion remaining in force in June, 1932, on business reinstated in the years indicated and for total amount given: 1927, \$2,796,958, 28.8 percent; 1928, \$2,568,337, 36.3 percent; 1929, \$2,731,255, 37.2 percent; 1930, \$3,227,992, 45.4 percent; 1931, \$3,696,324, 62.1 percent.

Another company which had allowed credit for club qualifications to be gained by reinstating business, found in a survey that 70 percent of this business reinstated in 1930 had lapsed by the end of the first nine months of 1931, and of the remaining 30 percent, 21 percent had been reinstated, lapsed and reinstated again.

Data in the Research Bureau study included experience on 7,000 policies for approximately \$15,500,000 of business. There was 72 percent on the life plan, 19 percent endowment and 9 percent term. Only 12 percent of the life business was reinstated, 16 percent of endowment, 6 percent of term. Over half of the business studied was less than two years old at time of lapse.

#### Lapse Ratio by Years

The report showed 39 percent of all the reinstated business lapsed the first year after reinstatement, followed by a 22 percent lapse rate on business entering the second year and 14 percent in the third year, or a total of 59 percent lapsed in the first three years after reinstatement.

Of business in its first policy year at the time of lapse prior to reinstatement, 61 percent lapsed again within the first three years after reinstatement.

Thus reinstated business appears to have a higher lapse rate in the first three years after reinstatement than does new business in the same period, new business having had a termination rate of 31 percent the first year and 39 per-

### Westbrook Sees Improvement in Farm Mortgage Field

#### AAA IS HELPING FARMERS

Aetna Life Expert Finds Delinquencies  
Are Being Made Up and Current Interest Paid

The farm mortgage situation in the United States today is brighter than it has been for several years, in the opinion of Stillman F. Westbrook, vice-president of the Aetna Life and president of the life companies' organization which considers farm mortgages. The improvement is noticeable from many different angles and is traceable to several factors.

"The life companies are unquestionably satisfied with what is being done today by the government in meeting the farm problem," Mr. Westbrook stated, "and are of the belief that the Agricultural Adjustment Act is definitely helping the farmers. They are getting higher prices for their products and are, moreover, becoming adjusted to the measures being taken for the alleviation of their difficulties."

#### Making Up Delinquencies

The percentage of foreclosures on farms has decreased. A good many delinquencies have been made up, and current interest charges are being paid again by the recovering agriculturalists. The cotton farmer, particularly, and also the wheat, corn and hog raisers are making these interest payments faster today than in the past. Moreover, according to Mr. Westbrook, the life companies are not foreclosing as quickly now; there are many loans on their books in a delinquent condition on which they have refrained from taking action in the last few months.

An appreciable number of farms are being sold to advantage today by the life companies. "Seventy-four percent more farms were sold up to Dec. 1 of this year than for the corresponding period in 1932," Mr. Westbrook declared. "This figure covers 80 percent of the life companies investing in farm mortgages. I can safely say that by the end of the year twice as many farms will have been sold as in 1932, and at better prices."

#### Farm Mortgage States

The life companies are interested in Iowa far and above any other state from the farm mortgage standpoint. The next ten states, in the order of their importance in the picture, are Illinois, Kansas, Texas, Nebraska, Missouri, Minnesota, Indiana, South Dakota, Oklahoma and Ohio.

There are surprisingly few new mortgages being taken out on farms today, Mr. Westbrook reported. The farm mortgage business of the life companies has been stultified by the Federal Land Bank, he explained, but even the bank has found little demand for new mortgages.

cent for reinstated, 17.4 percent in second year against 22 percent and 11.6 percent in third year against 14 percent.

(CONTINUED ON PAGE 11)

### Cross Currents in Competition

Aggressiveness in the Life Insurance Field Is Getting More  
Pronounced

#### GROUPING OF COMPANIES

Many Executives See Danger in the  
Effort to Prove Superiority  
of Institutions

There are many currents and cross currents in life insurance competition these days growing out of the troubled conditions of the day. It revolves largely around company groups of various complexions. Some of the work in the field has become decidedly militant and aggressive. There is the geographical line of competition, size and age of companies, character of companies i. e., whether mutual or stock, companies that have maintained their dividend schedule and those that have not, those that are supposed to be showing a not too enviable investment record, and those more fortunate, etc.

#### Much Overlapping of Groups

Naturally in this competition there is much overlapping of the groups and this makes the competition more complicated. For instance, it is charged throughout the middle west and south that the eastern companies are using their location as an argument and pointing to the fact that there have been no failures in their domain. They claim superiority for a number of reasons. This has aroused the agency managers of companies in other sections because they declare that no particular region can claim superiority. Then again some mutual companies are using arguments to show that they are far more sacrosanct than the stock companies. Then there are classes among the mutuals themselves. Some that have maintained their dividend scale are using that in competition with others that have reduced their dividends.

#### Investment Angle Is Noticed

The investment angle also enters into competition. Some companies attack others because they claim that they have too large a proportion of farm mortgages. Then others are blasted because the ratio of railroad bonds is too high. Other supposed investment weaknesses are pointed out and analysis is made to show the superiority of certain companies that are using this special ammunition.

As a result of this rather aggressive and far flung competition the people are becoming considerably muddled and are wondering just what it is all about. As a matter of fact, those who are taking a broad view of the situation declare that it is a mistake to make a wholesale attack on companies in any loca-

(CONTINUED ON PAGE 11)



## Peoria Life Mutualization Plan Approved by Court

### MAY PROCEED IMMEDIATELY

#### Mandamus Action of Director Palmer Contested by Judge on Plea of Unconstitutionality

Mutualization of the Peoria Life under a plan drafted by Co-receiver G. A. Shurtleff was approved by Circuit Judge Niehaus of Peoria, Ill. Director Palmer stated he would not approve the mutualization plan, which under the law both he and the court must do before it becomes effective.

Immediately thereafter the jurist filed an answer in Illinois supreme court to mandamus proceedings instituted by Attorney-General Kerner in behalf of Director Palmer, defending the action.

#### Claims Law Unconstitutional

Judge Niehaus claimed the insurance law giving to the insurance commissioner sole power to appoint receivers for failed companies is unconstitutional. Mr. Shurtleff is Judge Niehaus' appointee, while Mr. Palmer contends only his appointee, C. V. O'Hern, holds the position legally.

The judge considered and rejected plans of the Life & Casualty, Chicago; J. P. Sullivan, Chicago, and Owen & Owen, Detroit. Following the hearing Mr. Shurtleff stated that application for a charter for the proposed mutual would be filed immediately.

#### Proposed Directorate

A temporary board of directors selected by Mr. Shurtleff, composed largely of Peoria business men, is:

M. M. Baker, president Baker Hubbell Company; J. W. McDowell, president Commercial National Realty Company; Dr. G. W. Mitchell, proprietor Mitchell Sanitarium; the Rev. J. J. Burke, Catholic priest; John Blossom, vice-president Central National Bank; H. G. Sommer, treasurer Keystone Steel & Wire Co.; T. K. Morrow, president T. K. Morrow Automobile Co.; A. J. Hartley, president Hart Grain Weigher Company; F. R. Miller, general manager Mackemer Motor Co.; R. M. Belden, president Peoria Engraving Co.; Clarence Eyster, business manager Peoria "Star"; J. W. Hartz, president Couch & Heyle, wholesale hardware; M. G. Newman, president Commercial Travelers' Home & Loan Association; E. Weselhoff, proprietor Model Wall Paper Co.; A. G. Muir, treasurer James McCoy Co., wholesale grocery; W. H. Luellen, Topeka, Kan.; Thomas Rogers, Flint, Mich., and J. L. Drahos, Cedar Rapids, Ia., the last three being state managers Peoria Life; and Theodore Aagaard, general manager Battle Creek Sanitarium, Battle Creek, Mich.

#### Shurtleff Ready to Proceed

Mr. Shurtleff stated that a contract would be prepared and presented for approval probably within a week, after which assets could immediately be turned over to the new company. Steps then will be taken to terminate ancillary receiverships in other states.

Assistant Attorney-General D. J. Kadyk filed a brief containing suggestions on the mutual plan. He said the company would require a minimum of \$100,000 guarantee capital. He pointed out that the plan approved proposes to use some Peoria Life assets to make up the guarantee capital, which he found contrary to law and equity, and detrimental to policyholders' interests.

#### Newark Agency Sets Record

November was the second best month in paid business that the Newark agency of the Connecticut Mutual Life has enjoyed in its entire history. The agency is staging a drive in December to top its November production.

## Increase of 1.5% in November Life Sales Is Reported

NEW YORK, Dec. 21.—New life insurance production for November was 1.5 percent greater than for November, 1932, according to the Life Presidents Association. Industrial gained over last year, for the fourth consecutive month, showing an increase of 9.7 percent in November. Group also showed an increase, gaining 14.4 percent. The cumulative total for all classes for the first 11 months of 1933 was 15.1 percent less than for the same period of 1932.

November production totaled \$681,049,000 contrasted with \$671,242,000 for November, 1932. New ordinary insurance amounted to \$436,723,000 against \$450,098,000, a decrease of 3 percent. New industrial amounted to \$202,843,000 against \$184,882,000. New group was \$41,483,000 against \$36,262,000.

For the first eleven months of the year, the total new business of the Life Presidents companies was \$7,097,346,000 against \$8,354,978,000 last year, decrease 15.1 percent; ordinary, \$4,668,989,000 against \$5,473,247,000, decrease 14.7 percent; industrial \$2,126,844,000 against \$2,322,403,000, decrease 8.4 percent; group, \$301,513,000 against \$559,328,000, decrease 46.1 percent.

A comparison of the new paid-for business for the first 11 months of 1932 and 1933, with percentage increases or decreases, follows:

	Ordinary		Gain or Decrease
	1932	1933	
Jan.	\$ 614,040,000	\$ 423,573,000	-31.0%
Feb.	575,497,000	424,483,000	-26.2
March	592,333,000	435,308,000	-26.5
April	520,586,000	423,605,000	-18.6
May	487,284,000	432,732,000	-11.2
June	504,329,000	446,435,000	-11.5
July	447,738,000	417,959,000	-6.7
Aug.	443,460,000	434,638,000	-2.0
Sept.	404,763,000	374,643,000	-7.4
Oct.	433,118,000	418,990,000	-3.3
Nov.	450,098,000	436,723,000	-3.0
	\$5,473,247,000	\$4,668,989,000	-14.7
<b>Total</b>			
Jan.	\$ 943,511,000	\$ 614,431,000	-34.9%
Feb.	831,187,000	609,725,000	-26.6
March	888,966,000	640,414,000	-28.0
April	822,367,000	628,778,000	-23.5
May	759,353,000	645,320,000	-15.0
June	768,233,000	687,776,000	-10.5
July	691,364,000	666,095,000	-3.7
Aug.	668,779,000	688,620,000	3.0
Sept.	639,537,000	577,776,000	-9.7
Oct.	670,039,000	657,362,000	-1.9
Nov.	671,242,000	681,049,000	1.5
	\$8,354,978,000	\$7,097,346,000	-15.1

## Institute Board Is to Meet Feb. 24 on Mead's Successor

A special meeting of the board of governors of the American Institute of Actuaries has been set tentatively for Feb. 24 by Secretary W. F. Poorman for the purpose of deciding on what action to take in view of the death of F. B. Mead, Lincoln National, who was president of the institute. The meeting will be held in Chicago. Mr. Poorman polled the 21 members of the board as to their views and received a variety of replies. One thought was to have one of the two vice-presidents serve until the next annual meeting, but the by-laws do not provide for such procedure, and specify that in the event of death of the president, the board of governors shall elect a successor.

#### Herdman Refuses Rehearing

A rehearing of the charges filed by the Nebraska Life Agency Managers Association against the Occidental Life of Los Angeles and six of its Nebraska agents has been denied by Insurance Director Herdman. He holds that the recent decision of the state supreme court that the state compensation commissioner, an administrative officer like himself, has no power to grant rehearings, prevented any reopening of the case.

## Market Values Demanded by Wisconsin, South Dakota

### MAY AMORTIZE THE BONDS

#### Basis of Valuations for 1933 Annual Statements in Canada Announced by Finlayson

The Wisconsin department has notified companies that all securities, not eligible for amortization under the Wisconsin law, must be valued at market Dec. 31, 1933, in the annual statement. Last year Wisconsin required fire and casualty companies to value all securities, including bonds, at the year-end market quotation. A law was passed in that state in 1933, however, permitting any company to amortize bonds amply secured and not in default as to principal and interest.

Commissioner Mortensen of Wisconsin states if any company prefers to submit its statement showing valuation as of a date prior to Dec. 31, this will be accepted only when accompanied with a supplemental report on the "Wisconsin statutory plan."

#### South Dakota Ukase

Commissioner Dawson of South Dakota has also made demand that stocks be valued at market Dec. 31. Bonds, eligible for such treatment, may be amortized. Mr. Dawson states that no portion of the excess of book value over market or amortized value shall be included as a liability item, but shall properly be deducted as a non-admitted asset.

Texas has informed the companies that the new convention formula will be acceptable.

Commissioner Dunham of Connecticut informed companies the new convention formula is acceptable to him. He directs that security fluctuation reserves be set up.

Superintendent Finlayson of Canada has announced the basis of valuation of securities for companies operating under control of the Dominion department. Certain other companies are under provincial jurisdiction and announcement has not been made regarding the basis for these.

#### Bonds Not in Default

The authorized values as at Dec. 31, 1932, may be used for bonds held on Dec. 31, 1932, and not since disposed of and not in default or intrinsically depreciated since that date.

The purchase price with any adjustment thereof through the interest account up to Dec. 31, 1932, is the basis for valuing bonds acquired since Dec. 31, 1932, and not in default or intrinsically depreciated since the time of purchase.

Bonds other than these must be valued at Dec. 31, 1933, prices or at a date not more than 60 days before Dec. 31, 1933.

The values authorized for use Dec. 31, 1932, may be used for preferred and common stocks which were held on Dec. 31, 1932, and not since disposed of and not obviously intrinsically depreciated since then.

The purchase price must be used for stocks acquired since Dec. 31, 1932, and not depreciated.

Stocks other than these must be valued at market Dec. 31, 1933, or at a date not more than 60 days before then.

The department will accept market values on securities, but suggests that if this is done, the investment schedules show the values as authorized and that the adjustment to a market value basis be made by way of an investment reserve.

#### Shugg Shows Big Gains

The A. P. Shugg agency of the Aetna Life in St. Louis increased the number of its applications 50 percent and its volume 14 percent in November.

## Interest in the Promotions Made by Lincoln National

### TWO ABLE MEN RECOGNIZED

#### A. J. McAndless and E. C. Wightman Are Regarded as Strong Men in the Organization

Much interest was taken in the announcement that A. J. McAndless, vice-president of the Lincoln National Life, will succeed the late executive vice-president, F. B. Mead, as first vice-president and E. C. Wightman, controller, being made vice-president, serving as executive officer in charge of all work in the controller's department.

Mr. McAndless has been vice-president in charge of reinsurance, claims and underwriting and will continue directing this work along with new administrative duties. He was closely associated with Mr. Mead. Mr. McAndless went with the Lincoln Life in 1919 as assistant secretary. In 1926 he became secretary and in 1930, vice-president. He is a native of Capac, Mich., and a graduate of the University of Michigan. Before going with the Lincoln National he was with the Grange Life at Lansing and later with the Detroit Life.

#### Mr. Wightman's Career

Mr. Wightman started with the Lincoln National in 1930 as assistant secretary and later was made controller. He is a native of Cleveland and also was graduated from the University of Michigan. He started his insurance career with the Michigan State Life as actuary and then went with the Detroit Life as actuary and became a member of the executive committee. Later he joined the American National Life of Galveston as actuary and manager of the ordinary life department. Then he became associated with Ernst & Ernst, certified public accountants. For some time he was on the faculty of the University of Michigan, teaching insurance accounting and administration. He is co-author of a text book, "Life Insurance Accounting."

#### M. C. Ledden Advanced

M. C. Ledden has been appointed chief accountant for the Lincoln National. He went with the company March 1, 1930, as junior accountant and has been acting as first assistant in the accounting department since that time. In his new position, Mr. Ledden will assume complete responsibilities of all accounting department activities. Mr. Ledden was educated in Montpelier, Vt., and spent ten years with the National Life of Vermont in actuarial and accounting department work.

## Applicants Questioned as to Visit to World Fair

In preparing non-medical blanks, the Minnesota Mutual requests its agents to inquire with particular care of all applicants whether they visited the world fair in Chicago. The inquiry is especially important in the case of waiters and other food handlers who may have been employed in Chicago during the past six months.

The Minnesota Mutual is concerned because of the spread of amoebic dysentery, the focal point having been infected food handlers in certain Chicago hotels.

Particular and detailed inquiries should be made as to the state of the applicant's health while he was in Chicago and since leaving that city. Care in this matter is necessary and will continue to be so for some time since development of the disease may be delayed for several months following infection. Many of those who visited the fair late in the summer or in the fall may even yet develop the disease.



## Policyholder Is Inflation Loser

Study of German and French Reaction to Currency Changes

### COMPANIES FARE WELL

Carriers' Liabilities Shrink in Larger Proportion to Assets Because of Real Estate

NEW YORK, Dec. 21.—With the possibility of inflation looming closer than it has for many years, increased interest is being shown by American life insurance men and policyholders in the effect of the German and French inflations on the life companies and their policyholders.

While the German inflation brought many evils in its train, it did not ruin life companies, even when it took several trillion paper marks to equal a dollar. The companies, as companies, fared very well as far as solvency was concerned, for their liabilities shrank in value in proportion to their assets, except such of the latter as were in real estate or stocks or other equities, and these appreciated enormously. Mortgages were of little value, for all who by the terms of their contracts could pay back their mortgage debts before maturity, or had the good fortune to have their mortgages mature when the mark was at its lowest, naturally paid off their obligations in the almost valueless currency.

#### Policyholders Hardest Hit

The policyholders as individuals were of course the ones hardest hit, insofar as the value of their reserves was depreciated by the fall of the mark. It was cheaper to credit each policyholder with a paid-up policy for the face amount than to go to the relatively much greater expense of sending out premium notices.

It should be noted that when the mark was reestablished at its gold value of \$0.193, it was not a case of stabilizing the debased currency at a certain figure, as in the case of the French franc. The new mark, while having the same gold content as the old German gold mark, did not even have the same name as the devaluated currency. It was called the Reichsmark. Naturally the life companies which had been on the old mark basis could not be called upon to pay claims or cash values in the new marks, which were worth about a trillion times the depreciated mark. Claims in the old currency, no matter how large, were settled for what amounted to a mere pittance in the new, and the companies started off afresh on a reichsmark basis, their real estate and other equities furnishing a substantial nucleus to begin business with.

#### French Companies Benefit

The French inflation and subsequent stabilization merely meant again that the companies' liabilities shrank with their assets, except for real estate and other equities. French companies have always invested rather heavily in real estate, so the 80 percent devaluation of the franc was more effective in reducing their liabilities than in cutting the value of their assets. Policyholders and annuitants were adversely affected, receiving francs worth about 4 cents in return for those they had put in which were worth 19.3 cents, but the solvency of the companies was increased rather than diminished by the franc's devaluation.

(CONTINUED ON LAST PAGE)

## New Developments Will Be Discussed at 1934 Meeting

### PROGRAM COMMITTEE NAMED

American Life Convention Lays Plans for the Annual Gathering of Next Year

The program for the 29th annual meeting of the American Life Convention, to be held at the Edgewater Beach Hotel, Chicago, Oct. 8-12, 1934, will give attention to the new developments in life insurance incident to the post-depression period into which this country is now entering. It is anticipated that by the first week in October the full effects from the new deal, including the National Recovery Act, various public construction projects of the Public Works Administration, etc., will be manifest and that life insurance will find new responsibilities in continuing to provide the men and women of the nation the one sure safe medium for the protection of dependents and their own future that has withstood the severest tests of the world's worst depression almost entirely unshaken.

The program committee for the meeting is composed of G. S. Nollen, president Bankers Life of Des Moines; A. J. McAndless, first vice president Lincoln National Life, and R. E. Sweeney, president State Life of Indiana.

The executive office in St. Louis the past week sent to members pamphlet reprints of many of the addresses given at the 1933 gathering of the main body and its legal, financial and agency sections.

#### Rounds Up Benefit Societies

Insurance Director Herdman of Nebraska has detailed one of his assist-

## Program Chairman



GERARD S. NOLLEN

President G. S. Nollen of the Bankers Life of Iowa has been appointed program chairman for the next annual meeting of the American Life Convention to be held in Chicago the week of Oct. 8.

ants to round up a number of mutual benefit societies that have been organized and put in operation without any authority in law, which will be forced to suspend their activities. Some were organized in Nebraska communities by local men, and others were organized in Colorado and other states and agents sent to canvass in Nebraska.

**N**OW comes a pause in the year's occupation—the happy Christmas hours. Could we better celebrate Christmas Day than with hearts that are at peace and thankful, with thought for those who need our thought, with forgiveness for those who need our forgiveness, with a welcome to him or to her who comes home, with age-old mirth and jollity, and with the hope that before another Christmas Day shall have come our country will have risen high out of its troubles.

To every life underwriter, in Home Office and Field, and to our associates of the insurance press, The Penn Mutual Life Insurance Company sends an ardent wish for A Merry Christmas and A Happy New Year!

WM. A. LAW, President

## Connecticut Day Is Great Success

Dunham Makes Plea for Fewer But Better Trained Agents

OVER 400 ARE PRESENT

Huebner Sees Business on Upgrade—Praises Record of Insurance—Warns Against Inflation

By RALPH E. RICHMAN

In spite of its old fashioned New England snowstorm prelude, Connecticut Insurance Day was a great success with over 400 officials and agents in attendance. The meeting was held in the assembly hall of the Aetna Life in Hartford.

Chairman George E. Turner, president of the First Reinsurance, opened the session. Commissioner H. P. Dunham of Connecticut reviewed the bad results which he believes come from appointment of too many agents. He said this practice multiplied twisting in life insurance, seriously affected the income of trained and responsible agents and made it impossible to keep the insurance personnel educated and trained to serve the public. He reiterated his oft expressed conviction that there are more than enough companies now in the field to provide an adequate insurance service, and advocated limitation of insurance company charters just as bank charters are refused for communities already bank over-populated.

#### Business on the Upgrade

Dr. S. S. Huebner, University of Pennsylvania, declared that business is definitely on the upgrade. A depression usually holds sway for four and one-half years, he said, and the present one, which has lasted four years and one month, has about run its course and burned itself out.

Dr. Huebner discussed the major trends in life insurance. There has been a change on the part of the public in its attitude toward the death benefit of life insurance, with the swing in the direction of less emphasis on the death benefit and more on the investment value of life insurance. There is also an increasing reliance by the public on life insurance companies. Loss to policyholders in three years amounts to less than .1 percent of their equities. No other business, he said, can show a record comparable to this. He opposed restrictions on withdrawals of life insurance cash value, stating that this privilege of withdrawal is one of the most important assets of the business. A growth toward wider use of annuities was noted by Mr. Huebner. He said it enables purchasers to spend always the right sum as they go along with confidence that there will always be enough to last.

#### Short Talks at Luncheon

At the luncheon short talks were given by A. T. Keeler, comptroller of Connecticut, State Senator A. E. Lavery, vice-president Connecticut chamber of commerce, and W. L. Mooney, vice-president of the Aetna Life. Mr. Keeler praised the insurance business of Connecticut as a source of stable employment. He called attention to the high standard of insurance supervision in the state and said that Connecticut believed in adequate appropriations for its state insurance department. Senator Lavery expressed the good will of other Con-

(CONTINUED ON LAST PAGE)

## 88-Year Record of Protection to Policyholders

Throughout all the years—during every panic, every war and every epidemic down to the present hour—the New York Life Insurance Company has met every obligation to its policyholders and beneficiaries; it is amply prepared to continue to do so throughout the life of every one of its insurance and annuity contracts.

Since it started business in 1845, this Company has paid to policyholders and beneficiaries over \$3,848,000,000. Over one billion dollars of this amount was in dividends.

The stability of this strong mutual company has been particularly demonstrated during the past four years of business depression. In every one of these years, income has exceeded disbursements.

*During the first 9 months of 1933, the Company—*

Paid to policyholders and beneficiaries, over .....\$188,000,000.00

Made new investments of over 46,000,000.00

Increased its ledger assets—being excess of income over disbursements, over ..... 43,000,000.00



HOME OFFICE BUILDING

## NEW YORK LIFE INSURANCE COMPANY

51 MADISON AVENUE  
NEW YORK, N. Y.

### New Sales Records Are Established in November

The Old Dominion Virginia agency of the Jefferson Standard during November produced \$788,000, breaking all previous records. The following men wrote \$66,000 or more for the agency's "66" honor club: E. C. Gibson, M. J. Anderson, R. L. Beamer, F. M. Smith, L. T. Terrell, and G. W. Taliaferro. Ben Simon is Virginia manager with Richmond headquarters.

\* \* \*

All previous records in sales were broken by the Illinois Bankers Life in November when new business was received totaling \$1,347,405. This was the first month since the company was reorganized on the legal reserve basis in 1929 that the monthly business had reached the million dollar mark. The November production was \$1,000,000 better than November, 1932 and about double the recent monthly average.

\* \* \*

C. B. Erwin, San Antonio, Tex., manager of the Gulf States Life, reports an increase for the year of 300 percent.

\* \* \*

C. F. Adams, agency director, reports the Des Moines branch has written more than \$4,000,000 of business thus far this year, or nearly \$500,000 more than for the corresponding period last year. The branch was the third of 151 agencies of the company in America to surpass its last year's mark.

\* \* \*

New business written in November by the Security Mutual Life of Nebraska was 35 per cent greater than in November, 1932. October business showed a 20 percent increase. A special drive was made in November in honor of M. A. Hyde, vice-president in charge of agencies.

\* \* \*

The Cleveland office of the Equitable Life under L. L. Lenz did as much business the last four months as in the first seven months of the year. In October sales more than doubled those for October, 1932, while November was likewise ahead of the previous year. The number of paid cases showed a big increase although the average amounts written are somewhat smaller.

\* \* \*

Samuel Kahl, one of the big producers in the Stumes & Loeb general agency of the Penn Mutual in Chicago, who last year paid for \$1,147,000 on 315 lives, so far this year has paid for \$1,070,000 on 250 lives and expects to exceed his 1932 record. Mr. Kahl, who was book-keeping manager for the Orpheum circuit up to 1930, went with the agency in July of that year, writing 26 cases for \$325,000 by the end of the year. In 1931 he paid for \$742,000 on 78 lives. He led the company in volume in November this year and ranks country-wide for 11 months, fifth in point of volume and fourth in number of lives.

\* \* \*

During a nine weeks' "A. N. Mitchell Campaign," in honor of their general manager, agents of the Canada Life in Canada and the United States exceeded the total allotment set by \$2,072,432. More than \$3,000,000 paid business was reported in the final week which proved to be a record breaker week for many Canada Life branches. Many branches attained the best paid production volume experienced in several years during the nine weeks' period.

The Los Angeles branch won the trophy presented personally by Mr. Mitchell. The youngest branch in the Canada Life organization, the Montreal-St. Catherine, was the runner-up. Detroit was third and won the eastern shield, while South Alberta ranked fourth and won the western shield. Toronto was the leading branch in the campaign in point of actual production, by

### Weakness Cited in Some of the Reinsurance Contracts

#### MAY END FLOW OF NEW MONEY

Assureds in Failed Companies Should Pay Difference Between Increase of Reserve and Premium

NEW YORK, Dec. 21.—Some of the executives in the east, who have been analyzing the contracts under which failed companies are being reinsured, feel that in many of these deals a psychological factor is being overlooked. They see a weakness in placing a moratorium on cash withdrawals, but in permitting policyholders to keep up their insurance by borrowing the full amount of the premium from the portion of the reserve against which there is no lien.

#### Evil in Premium Loans

Their theory is that a large proportion of the policyholders will avail themselves of this privilege and will continue to borrow until the portion of their reserve, which is free from lien, is exhausted. Therefore the receipts are likely to fall off. This is merely a book-keeping transaction and does not bring in any new money, with which to pay claims and meet overhead expenses. That many policyholders will take this course seems certain, because of the feeling that, in paying cash premiums, they are putting their money in with frozen assets.

One solution, which is advanced by these critics, is to permit the assured to borrow each year only an amount equaling the increase of the reserve for that year on his contract. In other words, the assured would be required to pay in cash the difference between the increase of the reserve and the premium. That would provide new money with which to pay the death claims and expenses.

### Osborn Agency's New Deal

Well Known Kansas City Organization Takes General Agency of Lincoln National Life

KANSAS CITY, Mo., Dec. 21.—The A. P. Osborn agency, composed of A. P. Osborn and Earl G. Mercer, has become general agent of the Lincoln National Life in western Missouri and eastern Kansas. In addition, the agency will continue to service Royal Union policies in that territory.

Mr. Osborn has been general agent for the Royal Union Life in Kansas City for 26 years. Mr. Mercer went with the Royal Union at Wichita in 1908, coming to Kansas City in 1912 as cashier. In 1927, he went to Des Moines as assistant secretary, where he remained two years. In 1929 he returned to Kansas City as Mr. Osborn's partner in the agency here.

The present Lincoln National offices on the eighth floor of the 1018 Baltimore avenue building are being enlarged to accommodate the merger of the physical properties of the two agencies.

a substantial margin. This branch in one day wrote 52 policies for \$369,000 with cash payments of over \$37,000.

\* \* \*

The Sun Life of Canada in its St. Louis branch under Manager W. S. Sutherland put on a successful drive. Forty representatives engaged in a one-day contest, starting at 7 o'clock in the morning and closing at midnight the same day, writing 201 applications for a total of over \$400,000 life insurance. The contest was styled "Spirit of St. Louis Day." The outstanding achievement was made by E. M. Staude, who wrote 37 applications for a total of \$60,000 insurance. The St. Louis agency of the Sun Life was established in 1927.



## Medium Sized Industrial Companies Study Changes

### EYE NEW AGENCY CONTRACTS

**Most of the Smaller Institutions Have Provided Relief for Agents During the Depression**

The medium-sized and small industrial companies are watching closely the radical changes in agency contracts, which have been instituted by several of the large industrial institutions.

The large companies, in making the change, have in many cases, if not in all, relieved the agents of any decrease they might have had when the new contract was adopted. Many of the small companies have taken similar action previously and are paying agents who make increase as if no decrease had been charged against their accounts.

The executive of one of the medium sized industrial companies expressed the belief that the new contract is much more involved than the present contract and this may prevent many companies from adopting it until they can benefit by the experience of the companies that are now trying it out.

#### Entirely Different Basis

The same executive states that while the new contract more nearly approaches the renewal plan in force in the ordinary field, it still retains many of the features used in the industrial field, although they are to some extent presented in a different way. The new agreement, he states, is paying the industrial agent for industrial business on an entirely different basis from that which has been followed.

An executive of another and smaller company states that they have been making liberal adjustments and liberal bonus offers during the past two years, which have served to compensate the men to a certain extent for their extra efforts.

#### Sun Life of Baltimore

Secretary Felix Rothschild of the Sun Life of Baltimore states that company has followed a liberal and generous policy towards its agents since the beginning of the depression. Due to decreases in debit, the Sun Life has made some concentration, but its total number of debits eliminated runs to only 13 percent of those in existence at the beginning of the depression. This is a small curtailment and Mr. Rothschild says the company has attempted to keep its agents' compensation to as high a level as possible by not reducing debits too drastically.

On several occasions during the depression, the company has made it possible for its men to draw compensation by various methods of starting over and through various ways has made it possible for them to secure money on increase after certain dates, even though their accounts show decreases.

#### Modifications Tried

The first six months of 1933, the Sun Life paid from five to 13 times on issue of new industrial business without regard to lapse on the debit proper and without regard to an agent being on increase or decrease. On several occasions in the past three years, modifications of this plan were tried, resulting in the agency force receiving a great deal of extra compensation over and above their collection salaries.

In the third quarter of 1933, the Sun Life put into effect what is known as the recovery plan, which made it possible for the agents to work out of their decreases, with the result that 91 percent of the agency force is on increase and the small remaining number is within a relatively few cents of the increase mark.

Because of these factors, Mr. Rothschild states, and because of the fact

that the company is paying considerable bonuses on the side for extra results, the management has no intention at the moment of making any changes in the agency contract nor does there seem to be any necessity for a change.

The Life & Casualty of Nashville states that in October relief was given to agents in arrears and the decrease valuation of men having 20 years or more of service was completely wiped off. Vice-president O. P. Grant states the company is making a careful survey of the new industrial contract and will adopt a similar one if the company finds it suitable to its organization.

#### Mutual Life of Baltimore

Vice-President L. P. Rock of the Mutual Life of Baltimore states there is no necessity, so far as that company is concerned, either to eliminate agents' balances or to change the agency agreement.

The Mutual Life of Baltimore eliminated all balance due the company the early part of 1932 and again in 1933. It is debatable, he states, whether this helped the agent or the company, for within a short time those agents who were balance due were again balance due. The Mutual Life of Baltimore has come to the conclusion that training,

education, supervision and encouragement of the field force is more important than eliminating balance due the company or change of agency agreement. An agreement of itself will not automatically increase the remuneration of the field force, and assuming that the contract is equitable, and offers the agent a decent return on his efforts, it is then a matter of training, education and development.

The latter part of 1932, Mr. Rock reports, the company inaugurated an inspection system, which was entirely separated from the agency department. Each inspector is a home office salaried employee with no contact with the agency force. He must pass on all applications from the standpoint of quality of the risk and quality of the business. The agents are being taught to write a class of business that will persist. The inspection system keeps them away from temptation of cluttering their books with undesirable business.

The balance due company, he states, is negligible and less than 10 percent of the men are off draw. This is rather a matter of lack of effort and application on the part of the men involved and not the fault of the contract or of the business. The company is making an industrial increase and will conclude

the year with an approximate increase of industrial weekly premium income of \$1,200. The company is also on ordinary increase for the year and probably will conclude the year with about \$1,250,000 of increase.

### Plaintiff's Course Easier

Under the new practice act in Illinois, taking effect Jan. 1, service of process upon insurance companies is made more simple for plaintiffs in that the new act provides that process may be served by leaving a copy thereof with any officer or agent of the company found in the county, and in case the officer or other person attempting to make service shall make return or affidavit upon such process that he cannot in the county find any such officer or agent of the company, then the company may be served in any other county in the state. This is the interpretation of the new law made by Paul G. Annes at the December meeting of the Chicago Life Insurance Lawyers Club.

Mr. Annes took up in his paper the proceedings before trial and developed exceedingly interesting situations on the free and easy joinder of parties permitted under the new law.

## LIQUIDITY

From regular sources of income, without the sale of any asset, the Company has met unprecedented demands for policy loans and other policy obligations, and has in addition improved its already excellent liquid position during the current year, increasing its holdings of Cash and U. S. Government Bonds from 10.9 per cent of its total assets on December 31st last to 15.2 per cent as of September 30th.

## NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, President

STRONG ~ Minneapolis, Minn. ~ LIBERAL

## Investments Discussed at Detroit Actuaries Meeting

### FIRST MORTGAGES DEFENDED

**Charbonneau Says Real Estate Loans  
Have Proven Bulwark—Biggs  
and Akey Speak**

Life insurance investments were discussed at the last meeting of the Detroit Actuarial Club. L. H. Charbonneau, vice-president of the Detroit Life, said that life insurance investments in the future must show a greater degree of liquidity. Well selected first mortgage loans have an important place in the properly diversified investment portfolio as there is no satisfactory substitute for the first mortgage as a medium of investment for funds which require maximum yield with unquestioned security. Real estate investments during the recent trying years have experienced no more than their proportionate share of the difficulties found in the handling of all investments. There has been much unwarranted talk about real estate investments and a great deal of criticism has been offered in generalities, being true only in particular instances. Much of the criticism, said Mr. Charbonneau, made against real estate investments should be directed against errors of judgment in selection when well recognized fundamentals were completely ignored. The isolated instances of actual dishonesty in real estate investments, said Mr. Charbonneau, should not be considered in making a fair test of the type as a whole.

#### Losses Relatively Negligible

The ratio of loss from first mortgage investments is relatively negligible. Mortgage investments of the life companies on the other hand have been a bulwark rather than an element of weakness. Of those companies which had occasion to borrow, little collateral has been found on their books more acceptable than their prime first mortgages, which offsets the charge of lack of liquidity.

C. L. Biggs, secretary of the Maccabees, also discussed mortgage loans. He said that their selection should be left absolutely to those who have had experience and training. If this had been done in the past, the business would not be confronted with the problem today. If loans could be made absolutely on their merits and not subject to a "rake-off" system, said Mr. Biggs, it would be possible to benefit by the high yield of mortgages without suffering any of the bad effects. The quality of loans in the past has been contaminated by the unscrupulous appraisals actuated by mercenary motives. It is necessary to carefully analyze the property on which a loan is made and consider the menaces which might depreciate its value.

#### Akey Views Defaulted Bonds

The defaulted bond problem was considered by E. K. Akey, manager of the Maccabees investment department. He said he had considerable contact with protective committees on defaulted bonds and he deems it necessary that legislation similar to the Sumner-Wilcox bill be passed for the ultimate solution of the defaulted bond situation. He said this is the consensus of opinion among protective committees, although the criticisms of the measure are recognized. "Under the present laws a small minority can defeat the most equitable refunding program and with the safeguards that have been proposed, placing a large share of the responsibility under a federal court jurisdiction, the rights of the bondholders will be in a large measure protected."

#### Has Best Week Since 1929

The Kansas City Life wrote more business in the week of Dec. 11 than in any one other week since 1929.

## Life Annuity Is Cooperative

In explaining a life annuity to a prospect, agents should point out that it is a cooperative operation. An annuitant, says J. Charles Seitz, Chicago consulting actuary, participates in the distribution of the reserves released by the death of other annuitants. When an annuitant dies the reserve released by death is apportioned among the surviving annuitants and the survivors' in-

number of annuity contracts have been issued or a large percentage of the risk is reinsured, says Mr. Seitz.

Continuing further he says: "If an annuity of \$10,000 be applied for by an annuitant age 65, a company which has in force annuity contracts providing for annuity payments totaling only a small amount cannot issue the contract unless the proper percentage of the risk be re-

End of Year	Attained Age	Fund "A"	FUND "B"												Gross Total of each year
			The reserve released by death during each year is the first item in each column 4 to 14 inclusive. The items below each first item are the first items increased by interest at 4%.												
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
0	65	8.3894												8.3894	
1	66	7.7609	.3483											8.1082	
2	67	7.1104	.3493	.3482										7.8139	
3	68	6.4367	.3481	.3489	.3485									7.5282	
4	69	5.7482	.3415	.3502	.3785	.3773								7.2461	
5	70	5.0440	.3387	.3575	.3958	.3943	.3923							6.9684	
6	71	4.3282	.3346	.3632	.4137	.4120	.4100	.4076						6.6954	
7	72	3.5977	.3283	.3679	.4233	.4206	.4184	.4259	.4234					6.4275	
8	73	2.8556	.3200	.3609	.4324	.4277	.4251	.4325	.4291	.4265				6.1648	
9	74	2.1043	.3094	.3504	.4399	.4352	.4325	.4399	.4363	.4337	.4311			5.9072	
10	75	1.3483	.2958	.3373	.4263	.4216	.4189	.4263	.4227	.4201	.4175	.4149		5.6540	
11	76	0.5846	.2791	.3214	.4114	.4067	.4040	.4114	.4078	.4052	.4026	.3999	.3973	5.4049	

Fund "A" is the original net single premium invested at 4% and returned by payment of \$1.00 at end of each year. Column 15 shows the net single premium of the annuity at each attained age.

Based on American Male Assurants Table (Ultimate) - 4%

dividual shares are invested at interest and the accumulations are for the future benefit of the survivors.

#### Shows Operation of Funds

The attached chart which is based on the American male annuitants table (ultimate)—4% percent, shows how Fund "A," created by the annuitant's initial contribution of a net single premium, is exhausted by annuity payments. Fund "B" is the companion fund from which the annuitant receives payment after his initial contribution is used up. Fund "B" is made up of the annuitant's share of reserves released by the death of other annuitants.

In writing annuities a company cannot accept jumbo cases unless a large

insured. If the company should issue the contract without reinsurance, it would place itself in the betting business by considering that the annuitant may die within a time to show a profit but with the chance that a loss would be incurred. The loss incurred at the end of the tenth year by the survival of the annuitant to such time would be \$48,617.

"If there were a large group of annuitants age 65 at time of applying for the contracts, if all contracts now in force were ten years old and if the mortality each year were ten percent less than expected, the company would incur a loss of 48.6 cents for each dollar of annuity payments on the books at the end of such tenth year."

## Farm Credit Administration Is Stepping Up Production

The Farm Credit Administration is now well under way and is stepping up "production" in granting farm loans at a lively pace. The task confronting the organization has been overwhelming. Within the past five months it has had 425,000 applications for loans totaling nearly \$1,750,000,000. It has had to expand the appraisal force from 210 to 5,000 and the whole organization has had to be enlarged in proportion. While the delay in getting through loans has been exasperating it is now believed that the situation is well under control.

#### Companies Better Satisfied

So far as insurance farm loans are concerned the companies are much better satisfied with the situation than they have been in the past. As an example, one company has received about \$1,000,000 in settlement of its mortgages and accrued interest through the Credit Administration and on these mortgages it has sustained practically no losses. Of course in certain sections the valuations are not as good as in others. In the northwest Montana is poor, as is South Dakota, while North Dakota is good. Texas in the southwest is very good while in the southeast Georgia is not so good. There are sections where drought has prevailed for a number of years and of course these are not so good.

To show how the Farm Credit Administration is stepping up its activities in July it closed about \$3,500,000 of loans, in August \$7,000,000, in September \$13,000,000, in October \$29,000,000, in November \$58,000,000 and it is now closing about \$3,000,000 a day.

Insurance companies are reporting a greatly increased efficiency in the Farm Credit Administration.

## Northwestern Mutual Lists Speakers at New York Rally

Agents of Northwestern Mutual Life in the New England, middle and south Atlantic states, holding their annual convention in New York City at the Waldorf-Astoria, Jan. 3-4, will be addressed by several executives of the home office.

Percy H. Evans, vice-president and actuary, will speak at the first session on "The Big Tent vs. the Side Show." E. H. Fitzgerald, vice-president, will be the principal speaker at the banquet. An address will be given by Grant L. Hill, director of agencies. President M. J. Cleary will speak at the luncheon.

Other speakers include J. M. Holcombe, Life Insurance Sales Research Bureau, who will discuss "The Business Side of an Agent's Obligation," and Dr. S. S. Huebner, dean American College of Life Underwriters, who will speak on "The Creative Side of an Agent's Obligation."

Thursday morning H. Ward Meacham will discuss "Writing Annuities," while W. R. Chapman, assistant director of agencies, will talk on "Women and Children First—Then Women and Children." H. D. Josephson appears on the same program speaking on the subject "The Family Income Policy," just announced by the company.

Speakers at a district agents' conference Thursday afternoon will include President M. J. Cleary, Mr. Hill, R. A. Clark and W. Ray Chapman, assistant directors of agencies, and E. R. Gettings, general agent at Albany, N. Y. E. N. Harnish, district agent at Lock Haven, Pa., will preside. D. M. Carver, Beaver, Pa., G. Brady Buckley, Parkersburg, W. Va., and Paul S. Sprout, Binghamton, N. Y., district agents, will discuss "Possibilities of District Agency Developments," as they see them.

## Aggressive Sales Campaign Is Based on Family Income

### INAUGURATED AT MEETINGS

**Agencies of the Northwestern Mutual  
Throughout Country Start Drive  
on New Contract This Week**

The Northwestern Mutual's new family income contract issued as a supplementary benefit based on ordinary life and term insurance, is being pushed in an aggressive nation-wide campaign which was inaugurated at agency meetings held simultaneously throughout the country this week. A complete sales program based on the contract was presented to the agents, including two direct mail letters sent by the home office for which the agents pay a nominal sum, pamphlets and a special family income presentation which is worked out in the presence of the prospect and contains unusual features.

A six-weeks' qualification contest was started this week to end Jan. 31, followed by a contest of similar duration, between 50 "Top Flight" agents who led in the qualifying round, and a "Second Flight." Each agency will have a local contest based on number of lives.

#### Has Special Advantages

The Northwestern's new contract is said to be somewhat different from any other family income benefit heretofore offered by any company. It contemplates dependency periods either ten, 15 or 20 years, the selection of which determines the total amount of insurance the applicant will have. For instance, one who buys \$10,000 family income with 20 year period gets also something over \$13,000 term insurance, or a total of over \$23,000 of protection.

The term insurance may be converted in the dependency period without medical examination, but unless this is done the policy reverts to the amount of face of the ordinary life portion at the end of the period.

Under the Northwestern's contract, income for the full selected period will be paid in event of the policyholder's death at any time in the period. Many family income contracts employ decreasing term insurance to provide the income, so that passage of each year of the dependency period without the policyholder's death decreases by a year the period in which the income would be paid if he should die. The income feature in many contracts runs out at the end of the dependency period.

Agents are being stimulated to sell the new policy by special honors in various groups, to be awarded when the two contests are concluded.

The agent who pays for the largest number of lives on family income form during the entire contest will be awarded a grand prize of a Diamond Life Bulletin subscription for a year.

The agent who pays for the most lives on family income by Feb. 1 will receive an insurance library of ten books, and the other agents in the top flight of 50 each will receive subscription to an insurance publication. Another insurance library will be awarded the leading agent in the second contest period, with an insurance book to ten agents in the top flight who make greatest numerical increase in lives over the first contest period, and an insurance book to each of ten second flight leaders for numerical increase.

There also will be agency prizes, consisting of three direct mail campaigns to each agency, to be won in the first contest and used in the second.

The publicity material furnished the agents gives detailed working plans, who are prospects, how mailings should be sent, etc. An attractive folder of several pages is furnished for a call-back, and also an introduction card signed by Grant L. Hill, director of

(CONTINUED ON PAGE 16)



## Western & Southern Life Advertising Head Dead



CHARLES M. BISCAY

CINCINNATI, Dec. 21.—Charles M. Biscay, advertising manager Western & Southern Life died at 2 o'clock Wednesday morning following an illness resulting from his recent nervous breakdown.

Mr. Biscay was born in Brooklyn, Dec. 4, 1875. He began his insurance career writing for the New York Life when he was 19 years old. He studied law for two years and then entered the service of the Metropolitan Life as an industrial agent. Later on he was appointed assistant superintendent and then superintendent. He served as business manager of the "Insurance Press" of New York for 17 years and in that capacity became acquainted with insurance people all over the country, he being regarded as an authority on industrial life insurance. He joined the Western & Southern Life and served it in different capacities. He has been active in various outside lines in Cincinnati and recently had charge of the publicity for the NRA movement in his city.

It was just a few days ago that Franklin Webster, publisher and editor of the "Insurance Press" with whom Mr. Biscay was associated, died.

## Rascoe Case Results Not as Bad as Were Expected

The famous Rascoe case against the Federal Life, decided in 1926, has not had nearly as bad an effect on accident and health companies and life companies writing disability benefits as was feared at that time, Jerome Kutak, counsel for the Federal Life, told the Chicago Claim Association at its December meeting. Mr. Kutak reviewed the court decisions since that time, surprisingly few in number, in which the issues raised in the Rascoe case were brought up.

### Ruling in Rascoe Case

In that case, which originated in Tennessee and was decided by the United States circuit court of appeals for that district, it was held that there had been a breach or repudiation of contract when the company refused to make further payments to the assured on the ground that she was no longer totally disabled, and that she was entitled to recover as damages the entire amount that would be due for the rest of her life expectancy, based on actuarial tables, which in this case amounted to about \$23,000. It was felt by many company officials at that time that the decision was fraught with great danger to the business.

Mr. Kutak showed, however, that the federal courts in other sections have uniformly refused to accept that doctrine, specifically referring to the Ras-

coe case in some instances and holding that while an assured can sue for indemnities that would be due at the time of the suit, he cannot recover for those that are to accrue in the future. Only in Arkansas have the state courts of last resort followed the rule laid down in the Rascoe case, but some of the decisions there have gone even farther on that point.

Mr. Kutak also discussed what constitutes repudiation of a contract, pointing out that this occurs only in cases of fraud or misrepresentation in securing the policy, in which case the company contends there never has been a valid contract, and in case of lapse, where the contract has ceased to exist, and that there is not a repudiation where the company declines to pay a claim on the ground that it is not covered by the policy, as that action recognizes the contract as still being in effect, although in the Rascoe case that action was construed as a repudiation.

While the United States Supreme Court declined to review the Rascoe case, thus leaving the judgment of the lower court in effect, Mr. Kutak expressed the belief that if the point at issue ever came squarely before the supreme court it would not sustain the doctrine of anticipatory damages.

## Jumbo Applications Are Vexing Home Office Men

NEW YORK, Dec. 21.—Big cases, one or two running up to \$1,000,000, have been coming through in the last few weeks in a number unusually large for the depression period. A substantial portion of this is business insurance, largely on the lives of younger executives, who have been showing their worth in building up business enterprises in spite of bad times. In some cases younger men are taking over the responsibility in family businesses, the father or older generation retiring to a life of leisure.

The comparatively young age of most of the applicants for recent large lines is felt to make the insurance less hazardous from the company's point of view. At the same time, at say 35 or 40, they are old enough so that they can be considered fairly dependable, both from a financial and physical point of view. There is always a chance that a young fellow just out of college and taking over a thriving business built up by his family may use his newly acquired power and affluence to ruin the business and his own health.

Home office underwriters are not yet

in agreement on the question of large risks, some feeling that even the magnitude of those being currently accepted is too large. The more optimistic believe that the use of the electrocardiogram, x-ray and blood sugar tests make it possible to accept large risks without the danger of losses that characterized the jumbo lines accepted in the pre-depression period.

## Nationalization Move in Canada

OTTAWA, CAN., Dec. 21.—Nationalization of the entire life insurance business in Canada will be proposed at the coming session of parliament by William Irvine, M. P., Wetaskwin, Alta.

Mr. Irvine declared here that the tremendous amount of money paid annually by the Canadian people to private companies for insurance protection could be greatly reduced to the individual under government operation.

"The insurance business is the safest business in the world," Mr. Irvine stated, "and there is no reason why a nation should not conduct the insurance business for its people on the principle of group insurance, so that every man and woman in this country may be insured. Under the one control by the government, competition costs would be decreased enormously and the cost of insuring would be reduced substantially."

# RETENTION



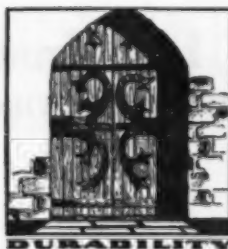
The customer file post-mortem is a sad thing in many agencies. Dead names clutter up the records.

Customer turnover is costly to agency growth. Old business—evidence of DURABILITY—should be as easy to keep as new is to get.

Established confidence, proven performance, can help reduce this loss. Continental agency contracts insure growth, guarantee DURABILITY.

## CONTINENTAL ASSURANCE

CHICAGO



## CASUALTY COMPANIES

ILLINOIS

## Latest Dividend Action Given

Among companies which have announced their dividend action to date are the following:

Abraham Lincoln, scale continued, effective Jan. 1.

Aetna Life—No change in participating department. Interest in par department on funds left on deposit, and in non-par department on funds upon which excess interest is paid, 4 1/4 percent.

Bankers of Nebraska, 1933 scale continued, effective Jan. 1.

Berkshire—Will pay same dividend for first quarter as individual policies received under 1933 scale, amounting to temporary reduction as normal increase not apportioned.

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Canada Life—Retains 1933 scale for first half of 1934. Continues maturity and persistency dividends, which under annual dividend policies will be larger in 1934. Interest on funds left on deposit 4 1/4 percent where payable in first half of 1934, a reduction from 5 percent.

Connecticut General—Reduction of approximately 30 percent effective Jan. 1, applying for entire year on policies without disability, and on policies with disability issued prior to April 1, 1928. Dividends for policies with disability issued prior to Aug. 1, 1924, with some exceptions, follow lower dividend scale. Interest on funds left on deposit reduced from 4.5 to 4.25 percent.

Connecticut Mutual—Dividend reduction 25 percent; interest rate reduced from 4.6 to 4.4 percent.

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Continental American—Continues 1933 scale for first half year.

Cosmopolitan Old Line, Neb.—Continues 1933 scale.

Durham Life—No change.

Equitable of New York—Appropriates 6 percent less for 1934 than in 1933; interest on funds left on deposit 4.25 percent; on supplementary contracts and special refund annuities 4.4 percent.

Fidelity Mutual—No change; officers state company need not commit itself on dividends for a full year or more.

General Mutual—Continues 1933 scale, effective Aug. 1, 1934.

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Great West Life, Winnipeg—Increase in 1934. Paid-up policies now in force to participate; all existing par policies amended to entitle to take paid-up par policy; no profits on extended insurance nor on paid-up policies taken in surrender of non-par policies.

Guardian of New York—Continuing 1933 scale.

Home of New York—Continuing 1933 scale for first quarter of 1934.

John Hancock—Dividend "substantially reduced," an increase of about 8.5 percent in net cost; interest reduced from 4.5 percent to 4 percent.

Lincoln Liberty, Neb.—No change.

Manhattan Mutual—Scale increased 1 percent effective March 1.

Manufacturers Life, Toronto—No change; interest on funds left on deposit reduced from 5 to 4 1/4 percent.

Midland National—Continued, effective Feb. 1.

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Midwest, Neb.—No change.

Mutual Benefit—Dividend cut 17 percent; interest on proceeds reduced from 4.5 percent to 4.25 percent; interest on dividends left with company reduced from 4.25 to 4 percent.

Mutual of New York—Reduction averaging approximately 8 percent, total distribution to be \$30,000,000.

National of Vermont—Dividend cut 23.5 percent, increase of about 6 percent in net cost; interest reduced from 4.5 percent to 4.25 percent.

New England Mutual—Continuing 1933 scale; interest reduced from 4.75 to 4.25 percent.

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New York Life—No change in first quarter of 1934. Interest on funds left on deposit 4 percent; on all other funds 4 1/4 percent.

Northwestern Mutual—Dividends reduced 25 percent; interest reduced from 4.8 to 4.6 percent.

Provident Mutual—Dividends reduced about 30 percent, equivalent to increase of about 7.5 percent in net cost; interest rate reduced from 4.75 to 4.5 percent.

Rio Grande National—No change.

State Mutual—Dividends reduced approximately 24 percent; interest rate on deferred settlement reduced from 4.6 to 4.4 percent; on dividend accumulation from 4.6 to 4.25 percent.

Union Central—Continuing 1933 scale for first five months.

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The Union Labor Life, whose dividend year begins April 1, probably will continue the 1933 scale. The Southeastern Life contemplates a change.

Webster Life—Scale continued effective April 1.

West Coast Life—Dividends reduced 15 percent June 1, 1933.

Wisconsin Life—Increased dividend scale 10 percent for first six months of 1934. Interest on funds left with the company 4 percent.

## New Minnesota Directory Is Now Being Distributed

The new edition of the Underwriters' Hand-Book of Minnesota has just come from the press. This volume shows the complete situation in Minnesota insurance wise both from the standpoint of the agencies located in the state and of the companies operating there. The

agency directory department shows the list of agents in Minnesota together with the companies which they represent for fire, casualty and life. Statistical information is included which gives fire and life insurance for the past six years in the state and casualty insurance for the past two years classified as to lines.

## Murray Loses Point

A three-judge district court at Oklahoma City has sustained a demurrer of the Prudential to Governor Murray's quixotic application for receiver for the company's Oklahoma properties. The court held the petition presented insufficient grounds. The expectation is the petition will be amended so the case can be tried on its merits. This suit was brought in an effort to collect \$550,000 in fees and penalties which Murray contends are due the state of Oklahoma from the Prudential. He contends the Prudential failed to file a copy of its charter with the secretary of state, but the Prudential points out it is required to file only with the insurance department.

## Macken Has Agency School

J. B. Macken of Macken & Ballou, Detroit managers of the Mutual Life of New York, has just completed a very successful agency school. Twenty-five prospective representatives were enrolled. Agency Organizer H. C. Brayton assisted in the instruction.

## Western & Southern Appointments

Claude Hutcherson, St. Louis, has been appointed home office inspector by the Western & Southern Life. The company has appointed these superintendents: W. J. Decker, Covington, Ky.; G. E. Fessler, Newport, Ky.; O. L. Stanley, Bay City, Mich.; H. C. Bloss, Manchester, O.; Robert Ferguson, Dayton; A. B. Sundell, Chicago; C. J. Archer, Terre Haute, Ind.

## Plans for 1934 Conferences

Tentative plans were made for the 1934 special and annual conferences, at the winter board meeting in New York of the officers and directors of the Life Office Management Association. The eastern spring conference will be held in New York City in April and the mid-west special conference in Chicago the latter part of May.

The 1934 annual conference will be held at Hartford early in October. It is expected that between 2,000 and 3,000 home office employees will take the examination of the Life Office Management Association Institute in May.

## Weissman Elected Chief of Boston Group at Meeting

### ANNUAL GATHERING IS HELD

Life Underwriters Association Hears Insurance Commissioner Brown and John A. Stevenson Speak

BOSTON, Dec. 21.—At the annual meeting of the Boston Life Underwriters Association this week S. D. Weissman, immediate past chairman executive committee of the association was elected to the presidency. He holds the rank of major in the U. S. Reserves and was captain of infantry during the World War. He was educated at Yale and is also a graduate of the Northeastern University Law School. Mr. Weissman is agency group supervisor in Boston for the Equitable Life of New York and is a life member of the National Million Dollar Round Table. He holds the distinction of being the first president of the Boston C. L. U.

### Other Officers Elected

Other officers chosen were: J. V. Gridley, Connecticut General, first vice-president; A. J. Murphy, Metropolitan, second vice-president; Paul S. Burns, Mutual Life of New York, secretary-treasurer. C. W. Wyatt, John Hancock Mutual, chairman, executive committee. Members of the executive committee are G. P. Smith, New York Life; B. H. Badenoch, Northwestern Mutual; F. E. DeGroat, Mutual Benefit; Paul Blackmur, Massachusetts Mutual; Nathan Elholz, John Hancock; W. L. Wadsworth, New England Mutual; R. E. Clark, Connecticut Mutual; W. N. Watson, Phoenix Mutual; Manuel Camps, Jr., Penn Mutual; M. E. Watson, Boit, Dalton & Church and C. E. Thayer, Provident Mutual.

The Boston association, on the occasion of its 50th annual dinner, was host to Commissioner of Insurance M. L. Brown and John A. Stevenson, manager home office agency Penn Mutual Life. Mr. Brown pointed out the absolute security and stability of the legal reserve life companies doing business in Massachusetts.

### One-Act Play Given

Following President H. P. Cooley's address, the audience heard a one-act play entitled "One Way to Do It" as produced by five of its prominent members: W. L. Wadsworth of the Moore & Summers home office agency of the New England Mutual, who took the part of the agent, his "sweetheart" Catherine Shepherd of the Boston Life Underwriters Association, C. C. Gilman of the National Life of Vermont, a hard boiled prospect, C. C. Joubert of the Connecticut General, employed by the prospect and opposed to the intentions of the agent, and David Lynn of the P. J. Crafey agency of the Metropolitan, who took the part of a hard boiled cop. The playlet was produced and written jointly by Michael Alperin of the Mutual Benefit and A. H. Lythgoe, executive secretary of the Boston association. It was a farce and told of the vicissitudes of the new agent on his first call, who, through his enthusiasm finally found himself virtually thrown out of his prospect's office and finally sells his policy to the "hard boiled cop" who proves to be his saviour.

Francis Cook of the P. F. Clark agency of the John Hancock Mutual, an impersonator, was introduced by President Cooley as the insurance advisor to Premier Mussolini.

The principal speaker John A. Stevenson chose as his topic "The New Frontiers" and discussed the rapid changes coming about in life insurance selling.

The Aetna building provided a delightful place for conducting an efficient convention. A Christmas tree and seasonal decorations in the auditorium added a pleasant holiday atmosphere.

## To the Thinking Life Insurance Men of America

Christmas Day in many homes will be made brighter each year through checks from Xmas remembrance policies—a gift continuing long after the giver has gone.

## Atlantic Life Insurance Co.

RICHMOND, VIRGINIA

Angus O. Swink  
President

Wm. H. Harrison  
Vice Pres. & Supt. of Agencies



## Gets Promotion



E. C. WIGHTMAN

E. C. Wightman, controller at the head office of the Lincoln National Life, who becomes vice-president and controller, started with the company in 1930 as assistant secretary.

## Transfer Carter to Chicago

New York Life Supervisor of Agencies Given Extra Territory—Oltman Takes Another Branch

Important changes in the set-up of the mid-west department of New York Life are being made, effective Jan. 1. O. R. Carter of Des Moines, supervisor of agencies of the department, is transferred to Chicago, where in addition to retaining supervision over 17 Iowa counties he is being given direction of 17 counties in northern Illinois.

E. A. Oltman, agency director Northern Illinois branch since 1919, is transferred as agency director to the Insurance Exchange branch, which is moving into larger quarters in the Insurance Exchange, Chicago, and is to be considerably increased in size by transfer of some 25 agents from the Northern Illinois and another branch.

Mr. Oltman succeeds S. H. Birgel as agency director of the Insurance Exchange branch, Mr. Birgel going into the field, operating out of the branch.

Mr. Carter has served the New York Life more than 20 years, having been agency organizer in Memphis, Tenn., then agency director in Shreveport. Following this he was for two years traveling supervisor, operating out of the home office. He then was transferred to Des Moines four years ago as supervisor of agencies.

Mr. Oltman also has served 20 years, mostly in Chicago. For a long time he was associated with the late J. A. Campbell, supervisor of agencies central department and in charge central branch, Chicago.

## Party of 50 Gulf States Security Men on to Mexico

Agents of the Gulf States Security Life of Dallas are looking forward eagerly to the annual convention trip which this year will be to Mexico City, Dec. 28-Jan. 4. Those who have not qualified for the journey may go by paying \$1.75 per thousand for the amount they are shy of the \$75,000 quota. However, if the quota is attained before Dec. 31, the amount the agent has paid for the trip will be returned. More than 20 have already qualified and about 50 including a num-

ber of officers, directors and stockholders who will make the trip at their own expense, will be in the party.

A one day agency meeting will be held at the home office Dec. 27. Commissioner Daniel of Texas will be a guest speaker. President Marvin will review the year and discuss 1934 plans.

## Decker Leaves U. S. Life

W. H. Decker, for the past year superintendent of agencies of the United States Life, has resigned effective Dec. 31 to go into business for himself in a field outside life insurance. Prior to joining the United States Life Mr. Decker had been in the securities business.

## Herman L. Ekern Honored

Herman L. Ekern of Chicago, former commissioner of Wisconsin and later attorney general of the state, has been elected a director of the Foreign Bondholders Council, an organization formed at the suggestion of President Roosevelt to render aid to American investors in foreign government bonds.

## Spaulding Course Ends

The Spaulding agency of the Mutual Life of New York in Chicago Dec. 19 completed a ten weeks' Tuesday night

course of instruction for new agents with an average attendance of forty-five. Unusual interest in life insurance field work as a vocation was manifest. The agency is \$1,000,000 ahead this year over its paid-for record in 1932.

## Maurice Hartwell Secretary

Maurice Hartwell, actuary of the People's Life of Frankfort, Ind., has been elected secretary, and H. W. Smith is the new actuary. Mr. Hartwell is a native of Saranac, Mich. He succeeds D. C. Trent, who resigned as secretary. Mr. Hartwell graduated from the University of Michigan and for a number of years was connected with one of the large fraternals in Detroit. Mr. Smith is also a graduate of the University of Michigan and has had a number of years of actuarial experience.

## Illinois Bankers in Chicago

H. E. Moody is one of the new general agents of the Illinois Bankers Life of Monmouth, Ill., located at 4000 West North avenue, Chicago. He started with the Metropolitan Life and later was connected with the Aetna Life. The Mid-West Agency is located at 4000 West North avenue, another firm also having a general agency contract. E. H. Steffelin, well known in Chicago in

life insurance circles, is head of the Assured's Underwriters Corporation of Oak Park, Ill., and has a number of salesmen.

James P. and John Sullivan are now producing business for the Illinois Bankers with headquarters at 30 North La Salle street, Chicago.

## Combines Three Agencies

The Franklin Life has combined three agencies in northern Illinois with headquarters at Rockford. They are T. J. Miller, Jr., W. E. McCabe and A. F. Wagner. Mr. Wagner will continue as agent at Freeport, Ill., but on account of ill health will devote his entire time to personal production. Mr. Miller will have charge of agency development in his own and the Wagner territory. Mr. McCabe will continue as general agent, both Mr. Miller and Mr. McCabe being in the Rockford National Bank building.

## Honor Head on Birthday

W. W. Head, president of the General American Life, was guest of honor at a luncheon given by the agents of the St. Louis general agency on his 56th birthday. He was presented with more than 56 applications for new life insurance, all dated on his birthday.



# ORGANIZED SELLING METHODS

Effective, tested methods of telling a convincing story have now been developed for Minnesota Mutual Field Men to fit several "life situations"—

With us you have a way to find and proceed effectively with

Young Men

Employed Women

Children

Men who have to rebuild their whole program

A Minnesota Mutual representative knows how to keep supplied with such prospects to see—and he knows what to do when he goes to see them.

# THE MINNESOTA MUTUAL LIFE INSURANCE CO.

Saint Paul, Minnesota

## NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

### Revises Retirement Annuity Equitable Dividends Lower

#### Massachusetts Mutual Reduces Income Under Contract Jan. 1, Makes Other Changes

The Massachusetts Mutual Jan. 1 will bring out a revised retirement annuity embodying a number of changes, the most important of which is that income under the contract will be reduced approximately to the scale in force among many other larger eastern companies. The Massachusetts Mutual heretofore has held a competitive advantage under this contract due to the higher income.

The monthly income per \$100 premium unit for contracts with longer deferred periods will be reduced to a level from 1 to 2 percent less for both sexes than the old contract, and for shorter periods from 3 to 6 percent less. Cash values also are slightly reduced for the first 26 years but are higher thereafter.

An important change is that payment of first dividend is contingent upon payment of second premium. The Massachusetts Mutual under all contracts in the past has not made this requirement but paid first dividends without regard to the payment of the renewal premium.

The death benefits under the contract will equal the amount of total premiums paid or the cash surrender value, whichever is greater. Cash value exceeds total premium beginning with the eighth policy year.

#### Salary Continuance Contract

##### Northwestern National Brings Out Par and Non-par Forms Paying \$100 a Month for Two Years

The Northwestern National has brought out a "salary continuance" policy on both participating and nonparticipating basis, providing \$100 monthly income to beneficiary, payable for two years after the policyholder's death. The commuted value is \$2,323.

The non-par form carries a guaranteed premium reduction, which gives decreasing costs over the first ten-year period, after which the contract becomes participating. Regular policy provisions and non-forfeiture values are given, the cash values per \$1,000 at quinquennial ages on the contract taken at age 35 being: End third year \$20; fifth \$48; tenth \$126; 15th \$212; 20th \$306; 25th \$405; 30th \$507; 35th \$606; 40th \$703; 45th \$811, and maturing as an endowment at age 85. Rates at quinquennial ages on the two contracts are:

Age	Par	Non-par	Age	Par	Non-par
21...	\$42.28	\$41.81	45...	\$85.79	\$85.25
25...	46.20	45.74	50...	105.88	105.12
30...	52.41	51.71	55...	133.71	133.34
35...	60.49	59.58	60...	172.92	171.79
40...	71.22	70.74	65...	229.14	226.84

#### Country Life

The Country Life of Illinois is preparing to increase its surrender values and modify its dividend scale. The dividends at the higher ages will be reduced more than at the lower ages to conform with the American Men table and the company's own experience. The plan is, however, not to pay out lower dividends than last year, but merely to keep the amount level.

#### Franklin Meet Jan. 22

The Franklin Life's Texas convention will be held in San Antonio, Jan. 22-23. Rollin Young, vice-president in charge of agencies, will attend from the home office. The Franklin Life will be observing its 50th anniversary in 1934.

#### Appropriates 6% Less for Payments in 1934—Interest on Dividends, Proceeds on Deposit 4 1/4%

The Equitable Life of New York is appropriating \$2,500,000 less for dividends in 1934 or a 6 percent decrease from its \$41,000,000 appropriation this year. On the ordinary life at age 35 the scale is reduced 3 percent up to the fourth year, 4 percent up to the tenth year and 5 percent on older policies.

On 3 1/2 percent reserve policies and annuities where the excess interest is the principal factor in the dividend, the percentage of decrease is substantially greater. The difference between the 1934 and 1933 scales on policies providing for disability income will be the same in dollars and cents as on policies without the disability feature. The 1934 excess interest rate is 4.4 percent for supplementary contracts and special refund annuities on an annual basis. For fractional payments the interest will be 4.25 percent, the same rate that will be paid on dividends and proceeds of policies left with the company. Nonparticipating funds left on deposit will also be paid 4.25 percent.

The dividends on special life annuity contracts are the same for all ages at issue and for all durations. The 1934 cash dividend amounts to \$4.50 or \$3.75 per premium unit of \$1,000, according to whether annuity payments are being made annually or more frequently.

The 1934 dividend scale for the principal policies are given below. The payments for the fifth year include the special dividends. These dividends do not apply to policies containing the full disability benefit issued prior to Feb. 1, 1930.

#### 20-Year Endowment Per \$1,000

Dividend Year						
Age Prem.	2nd	5th	10th	15th	20th	
15	\$47.79	\$5.41	\$13.35	\$10.35	\$14.20	\$18.32
16	47.92	5.50	13.55	10.45	14.29	18.41
17	48.05	5.58	13.73	10.54	14.38	18.49
18	48.18	5.65	13.91	10.62	14.47	18.57
19	48.33	5.74	14.12	10.72	14.57	18.66
20	48.48	5.84	14.31	10.82	14.67	18.74
21	48.63	5.92	14.52	10.91	14.74	18.83
22	48.79	6.01	14.72	11.01	14.81	18.91
23	48.96	6.12	14.96	11.12	14.90	19.02
24	49.14	6.22	15.20	11.24	14.99	19.13
25	49.33	6.32	15.44	11.36	15.08	19.22
26	49.53	6.44	15.70	11.43	15.15	19.33
27	49.72	6.55	15.95	11.51	15.22	19.44
28	49.95	6.66	16.21	11.59	15.29	19.55
29	50.18	6.79	16.52	11.69	15.37	19.67
30	50.42	6.92	16.82	11.79	15.45	19.79
31	50.69	7.04	17.04	11.83	15.53	19.91
32	50.96	7.19	17.30	11.88	15.61	20.04
33	51.26	7.33	17.57	11.93	15.70	20.18
34	51.57	7.40	17.85	11.99	15.79	20.33
35	51.91	7.48	18.05	12.04	15.89	20.45
36	52.28	7.58	18.21	12.12	15.99	20.61
37	52.67	7.67	18.36	12.18	16.09	20.76
38	53.10	7.77	18.54	12.26	16.19	20.92
39	53.56	7.80	18.72	12.33	16.28	21.08
40	54.06	7.82	18.92	12.41	16.38	21.25
41	54.60	7.84	19.18	12.48	16.51	21.43
42	55.20	7.87	19.51	12.56	16.66	21.60
43	55.85	7.91	19.92	12.63	16.81	21.80
44	56.56	7.94	20.24	12.69	16.96	21.99
45	57.34	7.99	20.58	12.75	17.10	22.20
46	58.20	8.04	20.95	12.81	17.24	22.43
47	59.14	8.09	21.37	12.86	17.39	22.66
48	60.17	8.14	21.84	12.92	17.53	22.89
49	61.31	8.19	22.36	12.98	17.68	23.15
50	62.55	8.24	22.94	13.05	17.83	23.42
51	63.91	8.28	23.58	13.10	17.97	23.71
52	65.41	8.32	24.31	13.17	18.11	24.01
53	67.05	8.34	25.01	13.23	18.28	24.33
54	68.84	8.50	25.87	13.27	18.45	24.66
55	70.81	8.66	26.74	13.31	18.63	25.03
56	72.97	8.83	27.61	13.35	18.81	25.42
57	75.32	8.99	28.51	13.40	19.04	25.83
58	77.91	9.15	29.47	13.47	19.31	26.27
59	80.73	9.33	30.48	13.57	19.62	26.75
60	83.82	9.54	31.53	13.67	19.97	27.26

#### Ordinary Life

Age	Prem.	2nd	5th	10th	15th	20th
15	\$17.40	\$4.84	\$11.11	\$6.12	\$7.12	\$8.11
16	17.73	4.89	11.23	6.21	7.24	8.20
17	18.07	4.94	11.33	6.30	7.37	8.30
18	18.44	4.99	11.49	6.41	7.51	8.41
19	18.81	5.04	11.60	6.50	7.64	8.52
20	19.21	5.10	11.76	6.61	7.80	8.64
21	19.62	5.16	11.90	6.73	7.88	8.70

Age	Prem.	2nd	5th	10th	15th	20th
22	20.06	5.24	12.08	6.85	7.98	8.78
23	20.51	5.30	12.25	6.97	8.08	8.85
24	20.99	5.37	12.43	7.11	8.20	8.93
25	21.49	5.45	12.62	7.26	8.32	9.03
26	22.01	5.53	12.81	7.32	8.37	9.12
27	22.56	5.61	13.02	7.41	8.43	9.23
28	23.14	5.70	13.24	7.50	8.50	9.35
29	23.74	5.80	13.47	7.60	8.58	9.47
30	24.38	5.90	13.73	7.73	8.67	9.61
31	25.05	6.00	13.91	7.75	8.76	9.74
32	25.76	6.11	14.11	7.80	8.86	9.88
33	26.50	6.24	14.34	7.86	8.98	10.03
34	27.28	6.38	14.58	7.92	9.10	10.16
35	28.11	6.54	14.75	7.99	9.23	10.30
36	28.98	6.40	14.86	8.06	9.36	10.55
37	29.90	6.48	14.95	8.15	9.50	10.79
38	30.88	6.56	15.10	8.26	9.64	11.05
39	31.91	6.57	15.26	8.36	9.78	11.30
40	33.01	6.58	15.33	8.48	9.92	11.56
41	34.16	6.59	15.40	8.59	10.16	11.95
42	35.39	6.61	15.51	8.72	10.42	12.37
43	36.70	6.65	15.64	8.84	10.68	12.81
44	38.08	6.68	15.77	8.96	10.94	13.25
45	39.55	6.72	15.91	9.07	11.20	13.72
46	41.12	6.78	16.11	9.32	11.63	14.21
47	42.79	6.84	16.31	9.56	12.08	14.72
48	44.57	6.91	16.52	9.82	12.55	15.25
49	46.46	6.98	16.72	10.07	13.04	15.80
50	48.48	7.06	16.96	10.33	13.55	16.39
51	50.62	7.13	17.21	10.76	14.08	16.98
52	52.91	7.24	17.50	11.22	14.65	17.62
53	55.35	7.35	18.10	11.71	15.25	18.28
54	57.95	7.46	18.49	12.23	15.88	18.96
55	60.72	7.67	19.07	12.77	16.53	19.66
56	63.68	7.88	19.89	13.34	17.22	20.41
57	66.84	8.10	20.76	13.95	17.95	21.19
58	70.22	8.33	21.69	14.60	18.71	22.03
59	73.83	8.78	22.67	15.28	19.51	22.90
60	77.69	9.26	24.01	16.00	20.34	23.84

#### 20-Pay Life

Dividend Year						
Age	Prem.	2nd	5th	10th	15th	20th
15	\$27.34	\$5.53	\$12.96	\$7.96	\$9.84	\$11.80
16	27.72	5.58	13.07	8.05	9.97	11.92
17	28.12	5.64	13.22	8.16	10.11	12.06
18	28.53	5.69	13.35	8.25	10.25	12.18
19	28.95	5.75	13.49	8.36	10.40	12.32
20	29.39	5.81	13.66	8.48	10.55	12.47
21	29.84	5.87	13.80	8.59	10.65	12.59
22	30.31	5.94	13.98	8.72	10.76	12.69
23	30.80	6.02	14.16	8.85	10.88	12.82
24	31.31	6.08	14.33	8.98	11.01	12.94
25	31.83	6.16	14.53	9.13	11.14	13.08
26	32.37	6.24	14.72	9.20	11.22	13.22
27	32.94	6.32	14.93	9.29	11.31	13.37
28	33.52	6.41	15.13	9.38	11.40	13.52
29	34.13	6.51	15.39	9.50	11.50	13.70
30	34.76	6.60	15.62	9.57	11.60	13.87
31	35.42	6.71	15.81	9.66	11.72	14.04
32	36.11	6.83	16.03	9.72	11.85	14.23
33	36.82	6.95	16.26	9.78	11.98	14.43
34	37.56	7.08	16.48	9.85	12.11	14.61
35	38.34	7.05	16.64	9.92	12.26	14.80
36	39.15	7.11	16.74	10.00	12.40	15.06
37	40.00	7.18	16.84	10.09	12.55	15.32
38	40.89	7.25	16.97	10.18	12.70	15.58
39	41.81	7.25	17.11	10.28	12.84	15.84
40	42.79	7.26	17.17	10.39	13.00	16.12
41	43.82	7.26	17.23	10.50	13.23	16.47
42	44.90	7.28	17.32	10.61	13.46	16.84
43	46.04	7.30	17.41	10.72	13.70	17.21
44	47.25	7.32	17.53	10.82	13.94	17.61
45	48.52	7.36	17.66	10.92	14.18	17.99
46	49.87	7.40	17.80	11.03	14.43	18.40
47	51.31	7.45	17.98	11.13	14.68	18.82
48	52.83	7.49	18.12	11.25	14.90	19.26
49	54.45	7.55	18.31	11.37	15.10	19.71
50	56.17	7.60	18.49	11.49	15.31	20.18
51	58.01	7.65	18.79	11.63	15.57	20.66
52	59.97	7.70	19.14	11.75	15.84	21.16
53	62.06	7.74	19.46	11.86	16.11	21.67
54	64.29	7.91	19.77	11.98	16.38	22.20
55	66.69	8.10	20.29	12.10	16.66	22.75
56	69.26	8.30	21.04	12.45	17.13	23.34
57	72.01	8.47	21.81	12.65	17.31	23.58
58	74.98	8.68	22.61	12.85	17.52	23.85
59	78.16	8.95	23.55	13.20	18.00	24.25
60	81.60	9.24	24.81	13.64	18.20	24.92



## Agents Submitting Many \$500 Risks

(CONTINUED FROM PAGE 1)

The companies do not object to applications as low as \$1,000, but the overlapping in the industrial class is more than they had bargained for. This has been aggravated by the writing of many \$500 cases on semi-annual or quarterly premium basis.

The companies have a minimum semi-annual or quarterly premium requirement which is well known but the companies and agents are eager for new business and the rule frequently is not enforced. One consideration is that the allowance of a little latitude in this direction helps to keep the field force intact, even though it results in increased overhead.

### Much Reissuing Demanded

Much of this small business is troublesome in another way. Many of the policies are not accepted as applied for. The companies are forced to rewrite a large number of cases. The companies have another rule calling for the charging back of a policy-writing fee against the agent in such cases, but this rule often is being ignored today.

This excess of small business is placing many companies in the last place where profit is possible, that of saving on overhead. The small cases in running up the cost of home office handling, are making more difficult the task of securing a profit on operations.

One sizable mid-western company in November found that 25 percent of all applications submitted were for \$500, which represented 11 percent of all submissions in the month in volume. While it was true three-quarters of these small cases were on salary deduction form, which is issued non-medical, the remainder of individual \$500 cases constitute a large troublesome item.

### Extreme Cases Are Cited

Five applications were received from one agent on one family which was living on charity. One quarterly premium was for \$1.57 and the others were \$1.58, \$1.97, \$1.98, \$2.29. The cases were declined but it was estimated if they had been accepted they would have cost the company immediately \$67.50, whereas the company would have got immediately only \$9.39 and would have had to pay a large part of that in the agent's commission. For an initial net loss of over \$50, the company would assume a total of \$2,500 mortality hazard.

A serious factor, it is said, is that many agents are ignoring their responsibilities to underwrite in the field. They are submitting any and all risks in the hope that some will be accepted. In the family case cited, the father, one of the applicants, had a jail record, drank liquor to excess and had a history of having attempted to kill himself.

### Whole Family a Bad Risk

In another case of five applicants in one family, the mother had bad medical history and four sons had jail records and drank to excess. One had a heart murmur, two showed strong traces of sugar. These were not cases selected to show the extreme, but were taken as they came across the desk.

As yet no companies have taken action to raise the minimum limits per application to \$1,000, although the subject has been discussed in many quarters. Rather than to refuse the good \$500 cases which many agents may need to stay in the business, the companies have adopted the policy of considering all these small cases but applying selection standards just as strictly as on large cases. This extends even to the financial side, a phenomenon which has caused considerable ill-feeling in the field.

The agency and office staff of the D. O. Johnson agency of the Minnesota Mutual Life of San Antonio, Tex., were the guests of Mr. Johnson at his annual venison and turkey dinner.

## Cross Currents in Competition

(CONTINUED FROM PAGE 1)

tion, those of any complexion or attempt to claim superiority when there are excellent companies in all sections, and all groups. There are as well managed stock as well as mutual companies. There are just as excellent small and medium sized as large companies.

Those that are well managed wherever they are or of whatever nature, have emerged with credit. The executives that are taking a far sighted view declare that naturally there will be more or less classification but the line if any, should be drawn on the character, honesty and intelligence of management and nothing else. Commercialization and exploitation, they declare, must be frowned upon wherever it shows its head. The attempt to discredit companies of one class or one locality, it is claimed, will reflect on the business as a whole. The fact that legal reserve failures have occurred in the central western territory is no reflection on companies in that area that can show a clean record and have had intelligent and conscientious management.

Business is difficult to get and agents naturally are using every expedient to secure applications. Some, it is declared, have gone too far and are unfair in their competition, resulting in much twisting and upsetting of people's confidence. Even if field men have been told to give intelligent advice as to a person's insurance it has been found that in many cases they have gone too far and have reflected on companies possessing real worth and showing ability in management.

## Figures on Lapsation After Reinstatement Are Given

(CONTINUED FROM PAGE 1)

As was to be expected, it was found that reinstated business on annual basis was more persistent than that with higher collection frequency. It was found in the case of policyholders under age 30 that the first, second and third year lapse rates on all business were 41 percent, 21 percent and 16 percent, or total of 60 percent lapsing in the first three years after reinstatement; ages 30-40, 37 percent, 22 percent and 14 percent, with combined total 58 percent; age 50 and over, 49 percent, 32 percent and 10 percent, with total 71 percent.

On life business the results were: Under age 30, 41 percent, 21 percent and 14 percent, with total 60 percent; ages 30-40, 35 percent, 24 percent and 16 percent, with total 59 percent; age 50 and over, 50 percent, 32 percent and 13 percent, with total 73 percent.

On endowment results were: Under age 30, 41 percent, 19 percent and 22 percent with total 61 percent; 30-40, 35 percent, 13 percent and 9 percent with total 49 percent, and 50 and over, 61 percent first year and nothing the second and third.

### Appeal of Savings Feature

The investment value of life insurance makes a special appeal to the French Canadians, according to life agency managers in Montreal. The Frenchman is sold life insurance most readily on the motive of savings plus an emergency benefit. A great part of the French Canadian population looks upon life insurance coverage of \$5,000 as being a very respectable amount.

### Actuaries Hear Parker

Lee N. Parker, president of the American Service Bureau, St. Louis, spoke to the Actuarial Club of Indianapolis on "A Worm's-eye View of Some Current Underwriting Problems."

## ROVER GUARDS THE BOOTS



Rover is protecting his master's boots. Pretty soon it will be five o'clock and his master will come and put on the boots. Then they will go hunting till dark. Rover's master has been working for a long time, but he is almost through now. His life income contract with the Central States Life starts paying him an income next month. Then there will be plenty of time for hunting. Rover's master doesn't know much about life insurance, but he does know that the Central States Life is going to send him a check as long as he lives.

Write for your copy of "Field Features." It gives complete information about the Central States Life. Desirable territory available in Missouri, Nebraska, Texas and Colorado.

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## THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION, PUBLISHED EVERY FRIDAY

By THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York  
PUBLICATION OFFICE, 11946 Insurance Exchange, CHICAGO. Telephone Wabash 3764

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Subscription Price \$2.00 a year; in Canada, \$5.50 a year. Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year; Canada, \$10.00. Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act, March 8, 1879.

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## PERSONAL SIDE OF BUSINESS

Fred J. Parham, 53, for the past four years in charge of the refinancing department of the Commonwealth Life of Louisville, died at Albany, Ga., following a three-day illness. Mr. Parham was on the way to Jacksonville when he suffered a stroke. Burial was at Columbia, S. C.

J. D. Hall of the Sun Life in Toronto will bring out shortly a book on the history of insurance.

A. T. Lehman, actuary Detroit Life, has been appointed to head a mayor's commission to survey Detroit's pension situation and to make recommendations.

Frank M. Beard of Marion, Ind., district manager for the John Hancock for nine years and later Equitable Life of Iowa field supervisor for Indiana, Illinois and Ohio, died recently.

Dr. P. H. Ingalls, medical director of the Aetna Life from 1899 until last March, died of heart disease at his home in Hartford at the age of 77. A native of Gorham, Me., he received his B. A. and M. A. degrees from Bowdoin College, and studied medicine at the Maine Medical School and the College of Physicians & Surgeons in New York. Since 1923, when he retired from active practice, until last March, he devoted his full time to the Aetna Life.

Frank J. Price, Jr., associate advertising manager of the Prudential, is greatly gratified by the sale of his new book called "Mind Wreckers, Ltd." It is a book of insurance mystery stories. This is the first book that Mr. Price has written but he evidently is headed for others as the popularity of his first book puts him in a class where repeat-ers are demanded.

Franklin B. Mead, Jr., son of the late First Vice-President Franklin B. Mead of the Lincoln National Life, was married last week at Kenilworth, Ill., the home of L. M. Allen, an uncle of Miss Isabella Allen Freeman, the bride. Miss Freeman is the daughter of Mrs. Henry R. Freeman of Evanston, Ill. Mr. Mead is connected with the head office of the Lincoln National Life. Dr. H. L. Willett officiated. Mr. and Mrs. Mead are on a honeymoon in the south. Mr. and Mrs. Harry Ninde of Abilene, Tex., the bride's brother-in-law and sister, were attendants and their two daughters were flower girls.

President Isaac Miller Hamilton of the Federal Life of Chicago announced this week the engagement of his daughter, Miss Marian Celia Hamilton, to Spencer R. Keare of Evanston, Ill. Mr. Keare is the son of Mr. and Mrs. C. R. Keare of Chester, Pa. While no date

has been set for the wedding it will take place some time in the spring. Miss Hamilton is one of the directors of the Federal Life. She is a graduate of the Francis Parker school of Chicago and Vassar college. She took the law course at the University of Chicago and was admitted to the bar. She is a young woman of fine attainments and possesses many personal charms. Mr. Keare is a graduate of Swarthmore. He has been western representative of the Aberfoyle Manufacturing Co. for some four years.

J. A. Macfarlane, general manager of the Monarch Life of Winnipeg, has completed 25 years of service with the company. He was presented with a suitable testimonial.

R. F. Watson, Lincoln, Neb., agent of the Midwest Life, has completed his eighth year of consecutive "app-a-week" production. C. E. Isenhour of the same company recently completed his 316th week.

President W. W. Putney of the Midwest Life of Lincoln was the guest of honor at a birthday luncheon attended by members of the home office staff. Mr. Putney is 40.

D. T. MacKinnon, million dollar personal producer in the Nathaniel Reese general agency of the Provident Mutual in Detroit, has returned to his office after an absence of several weeks' illness, in connection with an operation.

Friends of Samuel Hoffenberg, Hartford agent, prominent in Jewish organization work there, conceived a unique plan of expressing their esteem for him, on his 25th anniversary as a Zionist leader in Hartford at a testimonial banquet in his honor, attended by 400 persons and addressed by prominent people. A check covering premiums for \$75,000 of life insurance on the lives of 25 of his friends was presented to him. The policies were written through the company he represents, the Bankers' National Life of New Jersey.

Mrs. Mae Barr Long, deputy insurance commissioner of California, again heads the Christmas committee of the Business & Professional Women's Club of San Francisco. Serving with Mrs. Long on this committee is Miss A. V. Bowyer, Pacific Coast editor of THE NATIONAL UNDERWRITER.

Lee Herdman, insurance director of Nebraska, has entirely regained his eyesight as a result of three operations for cataract, but these have left him with a heart trouble that restricts his activities. For a number of years Mr. Herdman has been compelled to resort to employment of a reader or to laboriously peruse documents with a high-powered reading glass. He hopes before long to renew acquaintance with the contents of his 2,000 volume library, too much devotion to which caused his troubles.

Clayton Welles, manager of the Interstate Agency of the Phoenix Mutual Life in Hartford, accompanied by Mrs. Welles and their two daughters, left San Francisco Dec. 14 for New York via the Panama Canal. They motored to the Pacific Coast by way of the Grand Canyon, Yosemite and Sequoia National Park. While in San Francisco Mr. Welles addressed an agency meeting of the C. W. Peterson agency of the Phoenix Mutual.

M. J. Cleary, president of the Northwestern Mutual Life, has been elected president of the Milwaukee County Community Fund. Edmund Fitzgerald, Northwestern Mutual vice-president, is second vice-president of the fund. V. M. Stamm, Northwestern Mutual home office general agent, and Bradlee Van

## The Season With the Golden Heart

SOME TIME ago the son of a prominent fire insurance company president in the east in a conversation with his mother said:

"Mother, you have a golden heart."

The mother in surprise at this statement said, "Why do you say that, son?"

The boy replied, "Because you are always doing something for somebody else."

This amiable woman with a wonderful spirit and great vision, who by the way, had her useful career suddenly ended recently in a tragic automobile accident, was typical of the sentiment that pervades people at this particular time of the year.

During the Christmas season our thoughts become objective rather than subjective. We begin to inventory life's values and we find the most precious ones centered in those in whom we have an interest. The more altruistic cannot fail to see divinity shining through the faces of those about us. We become more magnanimous at this time, more sympathetic, more mellow.

Despite the distress, painful experiences and tragedies of the last few years, we all realize we are living in a time of great opportunity and responsibility, and are passing through an experience of change and evolution that comes once in an era.

We are beginning to measure men's worth not by dollars but by achievements in activities more enduring. We are living in a day that is ushering in changes of great moment. Despite the calamity and upheaval that have visited the globe, we are rich in our possessions. We may have sacrificed much in the way of things material. We have gained far more in a better understanding of mankind. Out of all this economic cataclysm will emerge a finer sense of social justice.

Although THE NATIONAL UNDERWRITER has been confronted with serious problems as has every other enterprise, we, attached to its organization, feel a great thrill of pride in the great business with which it is allied and the manner it has met the tragic years. In the midst of business life, there have come forth men and women engaged in insurance who have proved their genuine worth. They stand forth as the princes and princesses of one of the great business realms of the world.

So, in this Season of the Golden Heart, THE NATIONAL UNDERWRITER sends forth greetings and fond wishes to all inhabitants of this realm, to all who are contributing to the upbuilding of the great institution of insurance.

## Maintain Municipal Credit!

LIFE insurance men should actively oppose the proposed bills in CONGRESS providing for municipal bankruptcy, especially the SUMNER-WILCOX bill which was passed by the HOUSE OF REPRESENTATIVES at the last session, and will be acted upon by the SENATE when it convenes in January. Life insurance companies have nearly \$800,000,000 invested in state, county and municipal securities and this money is greatly endangered by efforts to provide methods for municipalities to be relieved of their obligations.

Although the percentage of municipal securities now in default is small, the enactment of such legislation would depreciate the balance from 10 to 15 points, it is estimated. This decrease in the value of municipal securities would seriously embarrass many financial institutions and affect bank

depositors and policyholders. Bankruptcy legislation would encourage bond manipulators and cost citizens and investors many millions of dollars from their racketeering.

Even from the standpoint of the municipalities, the bankruptcy legislation would have an evil effect because the securities would be placed upon a questionable basis and interest rates on new issues would have to be increased, which would result in higher taxes for the already burdened taxpayer. Municipalities taking advantage of such a measure if it is enacted would ruin their credit standing. With this method of financial relief available, municipal finances would become political footballs with discontented taxpayers agitating for default.

Although municipal finances are in a bad way, there is no need for such a drastic bankruptcy law. Communities in financial

difficulties are refunding their obligations with their creditors and the situation is being worked out by reductions in municipal expenses. Regardless of the circumstances, the entire municipal credit structure should not be overturned for the sake of a few scattering municipalities.

At the AMERICAN LIFE CONVENTION'S annual meeting, the Financial Section condemned the proposed municipal bankruptcy bill and a special committee was appointed to actively oppose it. Not only do the insurance interests oppose the measure, but it was condemned by the AMERICAN BAR ASSOCIATION, the UNITED STATES CHAMBER OF COMMERCE and the AMERICAN LEGION, besides hundreds of solvent municipalities. Life agents and executives should take strong action to defeat this vicious measure.



Brunt, Mutual Life of New York, are directors.

Mark Lilly, supervisor for the John Hancock in Des Moines, who suffered a broken back in an automobile accident near Iowa City a week ago, has been removed from a Des Moines hospital to the home of his parents at Fort Dodge. He will be confined to his bed for 12 weeks more physicians say.

S. C. Brennan of the Wichita, Kan., agency of the Massachusetts Mutual,

president of the Wichita C. L. U. chapter, has been elected a regent of Wichita University, of which he is a graduate. He is the first alumnus of the university to be elected to the governing board.

G. R. Slocum, Long Pine, Neb., who had been an ancillary receiver in Nebraska of the Royal Union Life, died in a hospital at Valentine, Neb., as a result of an auto accident a few days previous. He was formerly state agent for the Royal Union in Montana, South Dakota and Nebraska.

## NEWS OF THE COMPANIES

### Confer on National of U. S. A.

#### Receiver and Director Palmer of Illinois Hear Bidders Separately Before Making Recommendation

A series of confidential conferences with separate bidders for the National Life, U. S. A., of Chicago, was held this week by Insurance Director Palmer of Illinois and Receiver P. J. Lucey of the company. This procedure, Mr. Palmer explained, was to eliminate confusion and delay such as occurred in the Illinois Life case through throwing all proceedings into open court and permitting any and all bidders or other interested groups or individuals to criticize competing offers.

Each bidder for the National Life is being given a private hearing in which he is permitted to explain and/or amplify his offer and to consider or meet any suggestions which Messrs. Palmer and Lucey may make.

When this has been accomplished, Receiver Lucey and his staff will analyze the offers in the light of what has been said in the conferences and then will recommend to superior court in Chicago a specific bid to be approved. It is likely that the case cannot be taken into court for another week or so.

### War on Want Campaign of Yeomen Mutual Big Success

The Yeomen Mutual production campaign, which was fashioned on the military model and was called the "War on Want," running from Oct. 23 to Dec. 2, was so successful that the November production was 100 percent greater than any previous month this year. The average sized policy submitted was 10 percent larger than the average policy of 1933. Cash with application income amounted to 38 percent of the total premium income for the entire year to date.

The campaign was originated by P. A. Stark, agency director, and V. M. Shewbert, assistant superintendent. Each agent was given a commission and during the campaign he was bombarded with inspirational and educational material. About one-third of the entire campaign volume was written on one day, dedicated to President A. H. Hoffman. During the campaign 11 percent of the agency force produced 60 percent of the volume, whereas ordinarily the same group usually contributes 90 percent of the volume.

### Attorneys Allowed a \$25,000 Fee in Missouri State Case

ST. LOUIS, Dec. 21.—J. P. Aylward and A. A. Ridge of Kansas City, Mo., special counsel for Superintendent O'Malley of Missouri in connection with the Missouri State Life receivership and the sale of its assets to the General American Life, have been allowed a fee of \$25,000 for their services. It is a partial allowance and was recommended by Superintendent O'Malley and approved by Circuit Judge Hamilton.

Superintendent O'Malley has submitted the first quarterly report of his administration of the affairs of the Missouri State Life to the circuit court. A total of \$997,259 has been paid out on claims against the Missouri State Life which matured prior to Aug. 28. These payments were made by the General American Life in accordance with the sale contract. The General American Life also paid the wages and salaries due to employees of the old company as of Aug. 28.

According to Mr. O'Malley only about 5 percent of the Missouri State Life policyholders have filed claims in the receivership proceedings. Only those who desire to terminate their policies are required to file claims. The percentage of those who have paid renewal premiums to the new company or have otherwise indicated they would continue to carry their insurance has been gratifyingly large. The date for filing claims has been continued to Feb. 15. Up to this time 1,248 claims have been filed with J. F. Holland, special commissioner appointed for that purpose.

### Gets Wholesale Contract

The Savings Fund Life of Anderson, Ind., licensed last April, has been given an exclusive contract to issue wholesale life insurance to members of the Knights of Pythias lodge, President C. A. Pritchard states.

Practically all the stock of the Savings Fund Life, a legal reserve company, is owned in Anderson. G. E. Applegate is vice-president; W. E. Thornburg, secretary; S. J. Grossnickle, treasurer, and Dr. T. J. Stephenson, medical director.

All agency matters will be handled under a master broker plan by the General Agency Corporation, of which Mr. Pritchard is general manager. President Pritchard was agency supervisor in the eastern division of the Bankers Mutual Life until October, 1930, when he resigned to organize the Savings Fund Life.

### Record of Ben Hur Life

The Ben Hur Life of Crawfordsville, Ind., reports a record November business, in that 2,043 junior applications were written. All previous junior membership campaign records were broken. The previous high record for a single month was made in November, 1929, on the eve of the depression. The campaign at that time, as well as in November this year, was in honor of Secretary E. M. Mason.

The senior business written in November was the best month this year except for August, in which month there was a campaign for President J. C. Snyder. The November business this year was better than in November, 1932 or November, 1931.

### Heileman Starts New Concern

The Illinois Mutual Life of Chicago, which is being organized under the 1927 assessment act, has applied for a license. The main factor is Frank Heileman, who was head of the Great American Casualty of Chicago, and later was made

an officer of the Pacific States Life, when that company reinsured the defunct Chicago National Life. A few months ago, the Pacific States Life was compelled to retire from Illinois.

### Travelers Dividends

The regular quarterly dividend of \$4 per share payable Dec. 30 to stockholders of record Dec. 18, has been declared by the Travelers. An annual dividend of \$16 has been declared by the Travelers Indemnity, which is wholly owned by the Travelers. A \$4 dividend has been declared by the Travelers Fire, which is wholly owned by the Travelers Indemnity. This is the first dividend that the Travelers Fire has ever paid. Last year the Travelers Indemnity paid \$14 a share to the Travelers.

C. L. Taylor, president of Taylor, Senn Company of Hartford, and president of the Collins Company of Collinsville, Conn., has been elected a director of the three Travelers' companies. He succeeds E. C. Johnson, president of the First National Bank of Hartford, who died recently.

### Paul Mantz in Charge

Paul N. Mantz, assistant secretary of the Lincoln National Life, has been placed in complete charge of the reinsurance affairs in connection with the Royal Union Life of Des Moines. Two other home office officials, R. G. Stagg, associate actuary, and M. D. Johnson, accountant, will remain in Des Moines with Mr. Mantz to assist in the carrying on of the company's affairs. It is planned that they will remain in Des Moines for 18 months.

Federal Judge Dewey has appointed C. C. Bradley, district judge at Le Mars, Ia., and J. E. Wooding, Fort Wayne, Ind., as trustees to administer the real estate assets of the Royal Union Life. Judge Bradley will resign from the bench to accept his new duties.

Judge Dewey also signed an order directing the Lincoln National to pay

\$390,893 in accrued death claims on Royal Union policies, following approval of the receivers. About \$300,000 in similar claims are withheld from payment pending further investigation. Mr. Mantz said payment of approved claims would begin within three weeks.

### To Liquidate Company

An attempt will not be made to re-insure the business of the defunct Cosmopolitan Life of Chicago, according to Receiver H. B. Hershey. The company will be liquidated. Its business was of poor quality and its investments were extremely sour. The company took in mortgages in payment of premiums.

### Sequoia Life Promoted

LOS ANGELES, Dec. 21.—Articles of incorporation have been filed for the Sequoia Life of Los Angeles, with an authorized capital of \$1,000,000. F. R. Heinick is promoting the company. He was general manager of the former Peoples Mutual Life when it was located at San Francisco and was an incorporator of the Commonwealth Life of Los Angeles.

### Pay Regular Dividends

The Aetna Casualty has declared a regular quarterly dividend of 40 cents payable Jan. 2 to stockholders of record Dec. 18. The Automobile of Hartford, an affiliated institution, declared a regular dividend of 25 cents a share. The majority of these stocks is owned by the Aetna Life, which has not taken any dividend action.

### Receiver Is Requested

The National Bankers, an assessment life association of Lincoln, Ill., has been referred by Insurance Director Palmer to the attorney general with request that he bring action for the appointment of a receiver. An examination report showed that the liabilities exceeded assets by more than \$8,000. A. L. Rich-



## WIN THE WEST with Occidental!

■ A revolutionary, *highly-salable*, new policy . . . a thrilling, *selling* weekly radio broadcast over N. B. C. Pacific Coast network . . . a highly-satisfactory, liberal agency bonus contract—these are 3 big reasons why the Occidental Life Insurance Company (California) is winning the West.

■ Occidental Life has just completed November with a 67% increase in production over November, 1932. Agents in 14 western states, Alaska, Canada and the Hawaiian Islands.

## Occidental Life Insurance Co. (CALIFORNIA)

Old Line Legal Reserve Life, Accident, Health.

HOME OFFICE, 548 SOUTH SPRING ST.

Los Angeles, Calif.

## Looking Forward

154 years ago this nation was created. Dark were the clouds that hung over the new republic. Even the immortal Washington felt the sting of slanderous partisanship. Yet the nation's founders built steadily for future stability.

## COMMONWEALTH CORDIAL CO-OPERATION

For the future! That is a key-word in COMMONWEALTH service to its agents; to endow them with every possible attribute to permanent growth. That is why so many COMMONWEALTH field men will reach the age of retirement with a comfortable income from renewal commissions built by their own efforts and the constant help of the home office. COMMONWEALTH cordial cooperation is more than a mere name; it is the verbal expression of the ambitions of a growing company of progressive underwriters.

**COMMONWEALTH  
LIFE INSURANCE CO.  
LOUISVILLE, KY.**

ardson is president. As of Dec. 31, 1932, the National Bankers reported received from policyholders \$8,898, payments to policyholders \$1,643, insurance in force \$437,695.

### Fraternal to Become Mutual

The Ancient Order of Foresters, Toronto fraternal, with \$1,808,955 assets as at the end of 1932, will apply at the next session of parliament for an act incorporating the members of its life insurance fund as a mutual life company as the Ancient Foresters Mutual Life.

### Sends Out February Dividends

The New World Life of Seattle has just sent out to stockholders checks for the dividend declared last February, distribution of which was postponed under the state department ruling which prohibited making loans to policyholders or paying dividends to stockholders, inasmuch as these restrictions have now been lifted.

### Named Assistant Actuary

Guy H. Amerman, who has been with the actuarial department of the Travelers, has joined the Continental American

Life as assistant actuary. He is a graduate of the University of Michigan and is an associate of the Actuarial Society of America.

### H. P. Trosper Resigns

H. P. Trosper, vice-president and for many years leading producer of the American Life of Detroit, has resigned his position with the company effective after Jan. 1. Mr. Trosper has consistently produced in excess of a million a year since 1918, reaching his peak in 1927, when he paid for \$5,500,000 of business.

Graduated from the law school of the University of Michigan in 1912, he began the practice of law in Detroit, joining the American Life in 1918.

### Company News Notes

The **Lincoln Liberty Life**, Lincoln, Neb., has been licensed in Kentucky.

A. C. Dorrance, president of the Campbell Soup Company of Camden, N. J., has been elected a director of the **Penn Mutual Life**. He is a director of the Lehigh Valley Railroad, Guarantee Trust Company of New York and Philadelphia National Bank and is a member of the board of managers of the Girard Trust Company of Philadelphia.

## LIFE AGENCY CHANGES

### Several Appointments Made

**Continental Assurance Names General Agents in Wisconsin, Pennsylvania, Manager in Toledo**

Several general agency and managerial appointments have been made by the Continental Assurance of Chicago. R. J. Vetter of Madison, Wis., becomes general agent operating under the title "Wisconsin Agency" with jurisdiction over considerable surrounding territory. Herbert Samel is the new general agent in Pittsburgh. Ralph Comstock becomes manager of the life department of the Fred W. Smith general agency in Toledo.

Mr. Vetter takes along with him an organization producing better than \$1,000,000 a year. He formerly was state manager for the National Life, U. S. A.

Mr. Samel has been in life insurance since 1921, starting with the Metropolitan in St. Louis. After experience as agent and assistant manager, he became branch manager of the central Iowa district at Cedar Rapids, later going with the Missouri State as assistant secretary in the home office, developing and managing the salary savings department. He built this from the ground to \$1,000,000 annually and resigned to become branch manager in Pittsburgh covering western Pennsylvania and West Virginia.

Mr. Comstock formerly was a player on the Pittsburgh Pirates. He has had ten years' life insurance experience.

### E. F. Wright

The Mutual Life of New York has appointed E. F. Wright district manager at Montgomery, Ala., to succeed F. B. Fisher, who goes to the Atlanta agency.

### New Managers Are Announced

**Guarantee Mutual Has New Men in Portland, Sioux Falls, Des Moines and Davenport, Ia.**

Glen B. Fisher, for several years South Dakota manager at Sioux Falls for the Guarantee Mutual Life of Omaha, has been made Oregon manager with headquarters at 402 American Bank building, Portland. He is succeeded by W. A. Swark, secretary of the Sunshine Underwriters, Sioux Falls, a general insurance agency covering all of South Dakota. His office is in the Strand building. Vernon D. Blank of Des Moines has become associated with C. R. Fischer, Iowa manager for the Guarantee Mutual. The firm, which is now operating as Fischer & Blank, has charge of the entire state except the districts adjacent to Davenport and Council Bluffs.

G. A. Phelps is appointed manager for several counties in eastern Iowa and western Illinois. His office is at 301 Security building, Davenport.

### Robert Ginsburg

Robert Ginsburg, attached to the St. Louis office of the Ohio State Life, of which E. L. Knetzger is manager, has been promoted to supervisor. He is a member of the company's honor club for 1933. The St. Louis office has moved into larger quarters at 1008 Landrith building.

### C. F. Stofflett

C. F. Stofflett, formerly general agent for the Abraham Lincoln Life in South Bend, Ind., has been appointed general agent in Detroit. Mr. Stofflett is a former Detroit. He was at one time dis-

trict manager at Louisville, Ky., for the Indianapolis Life, and was later promoted as its South Bend manager.

### T. W. Keown, Jr., G. E. Phifer

T. W. Keown, Jr., of the Philadelphia office of the Sun Life, has been made branch secretary of the company at Greensboro, N. C., succeeding G. E. Phifer, who is transferred to the Washington, D. C., office.

### J. C. Peacock

J. C. Peacock, formerly with the San Jacinto Life, has been appointed general agent by the Minnesota Mutual Life for southeast Texas, with offices at Beaumont, Tex.

### C. G. Standeford

The Pacific Mutual Life has appointed C. G. Standeford general agent at Fresno, Cal., in charge of Kern, Kings, Tulare, Fresno, Madera, Mariposa and Merced counties, for all departments. His office will be in the Patterson building, Fresno.

### Join Volunteer State Life

Three Peoria Life men in Texas have joined the Volunteer State Life. L. R. Stevens, who was formerly state manager of the Peoria, has been made Texas superintendent of agents by the Volunteer State. F. L. Line has been made district manager at Marlin, Tex., and W. F. Tucker district manager at Teague, Tex.

## Life Agency Notes

**J. A. Williams** has been appointed district director for the Great Western of Des Moines at Atlantic, Ia.

The **Ohio State Life** appointed H. B. Herron, Mt. Vernon, O., district agent for Knox county. He was with the Ohio State Life some time ago.

**D. C. Weaver**, district manager of the American Savings of Indianapolis at Richmond, Ind., has opened offices at 223 Colonial building there.

**J. C. Edwards** has been named manager of the group department of the Aetna Life at Columbus, O., by E. C. Deckard, general agent.

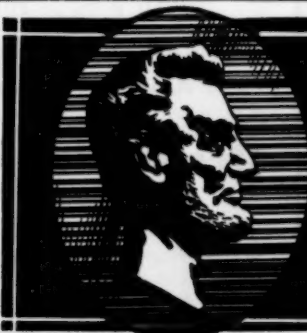
The **Minnesota Mutual** has appointed P. S. Strand, general agent at Salina, Kan.; G. G. Schaefer at Hays, Kan.; M. H. Cook at Rockford, Ill., and William Schooppe at Joliet, Ill.

**Johnson Ashby**, formerly district manager of the Great American Life at Dallas, Tex., has been appointed manager of the life insurance department of the G. C. Eichlitz & Co., San Antonio, general agents for the Old Line Life of Milwaukee.

### Branch Grows Rapidly

The Grand Rapids branch of the Continental Assurance of Chicago managed by R. B. Smith has been built from scratch since he took it over in June, now having 35 agents and averaging over \$250,000 production a month.

**Underwriters' hand-books** have been issued by The National Underwriter in 1933 for Colorado, Delaware, District of Columbia, Indiana, Iowa, Maryland, New Mexico, Ohio, Wisconsin, Wyoming and Chicago. Order from the Hand-Book Department, National Underwriter Co., 420 E. Fourth St., Cincinnati.



**THE EMANCIPATOR PLAN**  
*A Protection Contract*  
Age 35 - \$143.80 for \$10,000

**THE LINCOLN NATIONAL LIFE  
INSURANCE COMPANY** FT. WAYNE  
INDIANA



## LIFE COMPANY CONVENTIONS

### Southwestern Life Men Meet

Annual Agency Conference of Texas  
Company Held in Dallas With  
400 in Attendance

With some 400 agents attending, the annual agency conference of the Southwestern Life was held in Dallas. President T. W. Vardell told the agents 1933 was a most successful year. He said business had shown a considerable increase since the middle of the year and predicted the coming year would be even better for the life companies.

J. P. Costello, president Southwestern Life Club, presided at the convention sessions. City Manager Edy made the address of welcome and Garland Lang of Kerville responded.

At the first session the tables in the convention hall were reserved for the continuous weekly producers. R. R. Lee, vice-president and agency director, had charge of the business session that followed and awarded the prizes, the "million club" fobs and the "Plainview Club" awards.

### Central Life Managers Meet

More than 600 superintendents, general agents and managers of the Central Life of Des Moines attended the annual meeting at the home office there. The representation was from 20 states. President George N. Ayres conducted the sessions. Commissioner Clark of Iowa was a guest at the banquet. Gov-

ernor Herring and E. H. Mulock, Iowa CWA administrator, were speakers.

### New York Life's Iowa Meeting

Agents from 47 counties in Iowa attended the annual homecoming at the Des Moines branch office of the New York Life, Friday. Forty-five new members were initiated. Speakers included E. W. Clark, Iowa commissioner; J. E. Kessell, medical director for Iowa, and Rev. E. G. Williams, Des Moines. Special honor was paid to O. R. Carter, agency supervisor, who becomes supervisor of the central western department in Chicago, Jan. 1.

### Rogers Agency's Conference

Edgar Webb, agency assistant in charge of managers' training in the home office of the Equitable Life of New York, will speak at the annual conference of the Homer L. Rogers general agency in Indianapolis Dec. 15-16. Mr. Webb formerly was assistant manager of the Indiana agency before going to New York as assistant to Frank L. Jones, vice-president.

Dr. G. B. VanArsdall, home office instructor of the Equitable, has been holding his 200th school at the agency. He is also a former Indianapolis resident.

### Leaders Club Dates Set

The Guardian Life Leaders Club convention is to be held next year, July 17-19, at the Homestead at Hot Springs, Va.

## PACIFIC COAST AND MOUNTAIN

### No California Life Brokers

Must Secure Agent's License for Each  
Company Represented, Attorney  
General Rules

SAN FRANCISCO, Dec. 21.—Insurance brokers in California must hereafter secure an agent's license from each specific company for which they write life insurance, according to an opinion from Attorney General Webb to Commissioner Mitchell. The opinion also holds that the bond of \$1,000, necessary to obtain a broker's license, does not protect the life companies or the applicant for life insurance.

For some years California brokers have placed business with life companies in the belief that their broker's license was a blanket authority to negotiate insurance of any kind with any company licensed in the state. The attorney general holds, however, that none of the provisions of the law "permit a broker to be licensed as such, either to solicit or negotiate contracts of life insurance. Said sections clearly negative the idea that a broker shall be permitted to solicit, negotiate or effect contracts of life insurance under a broker's license." He interprets the law merely as providing that a broker "shall not be disqualified, by reason of having a broker's license, to receive also a license to act as agent for soliciting contracts of life insurance; in short, to authorize the granting of licenses as broker and as life insurance agent to one and the same person. I am of the opinion that any broker who desires to negotiate life insurance contracts must be licensed also as a life insurance agent."

### Tax Bill in Oregon

A tax of 2 1/4 percent would be imposed on gross premiums collected by foreign insurance companies operating in Oregon under a bill introduced at the special session there. The bill also im-

poses an annual license charge ranging from \$25 on fraternal to \$150 for fire companies.

Insurance agents would be required to pay an annual license fee of \$2, non-resident life agents \$5 and adjusters \$25.

### Los Angeles Branch Wins

LOS ANGELES, Dec. 21.—The Canada Life's two months test in honor of General Manager A. N. Mitchell was won by the Los Angeles branch under Manager C. H. Carpenter. The 18 members of the Los Angeles branch wrote over \$500,000 in paid business and produced 280 percent of its allotment.

Dr. E. L. Woodruff, doing business as E. L. Woodruff & Son, has been admitted in the Insurance Brokers Exchange of San Francisco. Dr. Woodruff is general agent for the Manhattan Life.

## NEW YORK NEWS

### USE LOUD SPEAKER TELEPHONE

In connection with the "Loyal Legion" week campaign conducted by the Equitable Life of New York the John M. Riehle agency in New York City inaugurated its long distance loud speaker telephone equipment.

Each morning a company executive, starting with President T. I. Parkinson, addressed a special agency meeting for from three to five minutes. The speakers simply spoke into their telephones from their desks and their remarks were amplified through a loud speaking device installed in the Riehle agency's headquarters by the telephone company. In addition to President Parkinson, those who addressed these special meetings were Vice-Presidents W. W. Klingman, A. G. Borden and F. L. Jones, and Superintendent of Agencies Nolting.

On Friday A. A. Dewar, Equitable manager in Los Angeles, spoke from his home in Glendale, Cal., at 6 a. m. California time or 9 a. m. New York time.

He had been advised that the Riehle agency intended to usurp his position at the close of the year 1933 on the Equitable national honor roll of agency standings. He simply called up from California to advise the members of the Riehle agency, in a special meeting assembled, that they did not have a chance to do so.

This loud speaker system is permanent equipment in the Riehle agency and will be used from time to time to bring in messages and sales ideas from outstanding life insurance men in various parts of the country, which under this system, can be done at a minimum of expense and without loss of time to the speaker, as he simply talks from his desk in a normal manner into his regular telephone.

\* \* \*

### WILL HONOR ATTORNEY HIRST

The Julian S. Myrick agency of the Mutual Life of New York in New York City will give a dinner Jan. 15 in honor of Albert Hirst, counsel New York State Life Underwriters Association, in recognition of his outstanding work in behalf of Section 55a of the New York insurance law and Section 15 of the personal property law, which protect respectively the policyholder and the beneficiary from claims of creditors who might try to attach their policies or proceeds. Mr. Hirst is a member of the firm of Burnstine, Geist, Netter & Hirst of New York City. He was formerly a life agent but was forced to take up less active work because of his health.

As a life man Mr. Hirst had noticed the inadequate protection given by the laws of New York state and many other states to life insurance cash values in the event of claims by creditors. In New York the only safeguard was the meager protection of Section 53 of the domestic relations law. He cooperated with Mr. Myrick, who at the time headed committee of the state life underwriters association, in working for a legal defense which would be really effective. Section 55a was the result. At present 20 other states have statutes identical with or similar to the New York provision.

## Takes Brooklyn Post



ROBERT KRUIH

Robert Kruh, who has been appointed manager of the new office to be opened in Brooklyn by the Continental American Life, has been agency supervisor of the Moskowitz & Ainsbinder agency of that company in Newark and has had a number of years' successful experience as a producer and assistant manager.

He who has lost confidence cannot lose more.

## THE CHRISTMAS STORY AND LIFE INSURANCE

The stories that live through the ages and vitally affect the lives of men are simple but profound. Life insurance, like the Christmas story, satisfies some of the fundamental needs of all men.

Peace on Earth, Good Will Toward Men.

Peace of mind which comes to him who has made safe provision for himself and his loved ones.

Good will toward men which is the blessing of him who has no fear for the future of his material estate.

Every life insurance man who has done his work well may now look back at his year's record and say to himself, "To the best of my ability I have brought peace and good will to my friends and clients."

**AMERICAN CENTRAL LIFE**  
**INSURANCE COMPANY**  
INDIANAPOLIS - - - INDIANA



## Salesmen— Excellent Opportunity

### "A New Deal in Life Insurance"

A Dollar's Worth for a Dollar

Mutual Legal Reserve. Participating, non-par rates; estimated average annual cost Ordinary Life, age 35 \$15.38 per thousand; Twenty-Pay Life paid up for \$1,549 plus dividends per thousand in 20 years; Endowment pays \$1,961.54 plus dividends per thousand if policy becomes a claim year it matures. Cash accumulation available any time without note, interest or deduction from face of policy; juvenile with all fine features of adult policies. Unlimited opportunities for agencies in Illinois, Michigan, Indiana, Missouri.

## INTERSTATE RESERVE LIFE INSURANCE COMPANY

Mutual Legal Reserve Life Insurance  
Ten East Pearson Street CHICAGO Phone Superior 1714

### SPIRIT of CHRISTMAS

Now again comes Christmas and renewed opportunity for life insurance, through the "Christmas Remembrance" policy, to bestow one of its noblest blessings.

The breadwinner knows not what toll the future may take. In how many homes, a Christmas hence, must widowed mothers, without means to celebrate the season as love would dictate, fight back their tears, seeing the children's faith in Santa Claus destroyed?

It is the glorious privilege of life underwriters to forestall such tragedies; to save the reputation of the good old saint and to give the "Spirit of Christmas" the indispensable financial support without which it becomes a meaningless phrase.



Inc. 1871  
Bradford H.  
Walker  
President

**The Life Insurance Company  
of Virginia**  
RICHMOND, VIRGINIA

## THE BEST FOR LESS



Hotel Savery  
Des Moines, Iowa

Hotel Fort Des Moines  
Des Moines, Iowa

Hotel Blackhawk  
Des Moines, Iowa

Hotel Mississippi  
Des Moines, Iowa

Hotel Davenport  
Davenport, Iowa

Hotel Hanford  
Hann City, Iowa

Hotel Saint Paul  
St. Paul, Minn.

## BLACK HAWK HOTELS

TRAVELERS in Iowa and Minnesota say—  
"Yes—if you want the best of everything at the most reasonable prices, stay at Black Hawk Hotels." Black Hawk Hotels are popular!

Next Time you travel in Iowa or Minnesota try Black Hawk Hotels for comfort, convenience and savings. Our low prices mean traveling economy for you! Minimum rates at our hotels range from \$1.50 to \$2.50 and we have PLENTY of minimum rate rooms to offer. Extra guest only \$1.00.

## AS SEEN FROM CHICAGO

### ADDRESSES MUTUAL BENEFIT

E. B. Thurman, Chicago general agent of the New England Mutual, addressed the A. A. Drew general agency of the Mutual Benefit in that city at a special meeting Thursday on "Harnessed Dollars."

\* \* \*

### BRUCHHOLZ OVER THE TOP

The New York Life's Chicago Clearing House branch, Frederick Bruchholz, agency director, has paid for the company's top allotment for 1933.

\* \* \*

### CUMMINGS AGENCY OPENS

F. D. Cummings, who this week opened the third general agency of the Pacific Mutual in Chicago, held a formal opening Wednesday in his new offices in the One La Salle street building.

\* \* \*

### INCREASE NUMBER OF "APPS"

The central branch of the New York Life, Chicago, won third place in the annual Nylc rally contest held in the central department, which comprises all Chicago agencies. The branch submitted \$2,877,000 of written and examined business in the contest. Central branch agents wrote 393 applications for \$1,046,000 in October and 418 applications for \$1,336,000 in November, showing an increase in number of applications every month from April to November inclusive. Agency Organizers J. S. Fredrickson and Arthur Peterson have been in charge since the death of Supervisor of Agencies J. A. Campbell.

\* \* \*

### TO HOLD CHRISTMAS PARTY

The Union Central's agency in Chicago managed by H. A. Zischke will hold its third annual Christmas party Dec. 23 with an expected attendance of 140 persons, including 54 children of agents. There will be a program for the youngsters, singing of Christmas carols, luncheon and dancing. Frank Wohlleber, agent, is to play Santa Claus. The agency wrote \$1,026,000 of business in November. H. K. Allen leading the office with \$118,000 paid business.

### Aggressive Sales Campaign Is Based on Family Income

(CONTINUED FROM PAGE 6)

agencies, to use in case of difficulty in gaining entrée.

The presentation sheet is designed to visualize the future of the prospect and his family 40 years ahead, a chart being provided for this purpose, in which opposite the year the setup at that time can be entered. This, it is believed, is an unusually graphic and effective way of presenting the family income idea.

Stacy K. Beebe, one of the leading producers of the C. B. Knight agency of the Union Central Life in New York City was toastmaster at a dinner last week of the Harvard Business School Alumni Club of New York at which Dr. O. M. W. Sprague, outstanding opponent of inflation, was the principal speaker. Nearly 1,000 persons attended the dinner, the largest affair ever held at the Harvard Club. Mr. Beebe is president of the Harvard Business School alumni and also served in that capacity for two terms several years ago.

### 3-DAY COURSE

Get the "Dynamic Short Course," puts a new man into production at end of three days. Price \$3.00 cash with order. Fuller fund if complete plans are followed and you are not satisfied.

Insurance R & R Service  
Indianapolis, Indiana

### New General Agent



E. E. HENDERSON

E. E. Henderson, new Chicago general agent Pacific Mutual, who has taken over the company's branch in the Insurance Exchange there, consequent upon change exclusively to a general agency basis in Chicago, has had an outstanding record. He was born in Brazil, Ind., 48 years ago. For a number of years he was connected with railroads, earning his way through a California university. He went with the Pillsbury flour company in Chicago in 1910, remaining ten years and establishing sales records. He returned to California in 1923, going with the home office agency of the Pacific Mutual as agent. In his first year he paid for \$281,000 life insurance and \$2,500 of "noncan" premiums. He was a member of the appa-week club more than five years and never has failed to qualify for the Big Tree club.

In 1930 he was appointed supervisor in the east and then became assistant superintendent of agencies with headquarters in Washington, D. C., operating there for two years. His eastern division produced better than 30 percent of the company's national production this year. This was brought about by intensive cultivation of the field. Mr. Henderson is a student of insurance, a skilled agency man and an advocate of agents' training.

### Women's Unit in Philadelphia Gives Good Account of Itself

An unusually interesting feature of the work of the John A. Stevenson agency's leaders club in Philadelphia in November was the record made by the women's unit, whose manager is Sophia W. Bliven. The Stevenson agency of the Penn Mutual had 38 members in its monthly leaders club for November, each one of whom paid for a minimum of \$20,000 to qualify. This was the largest number in any month this year. The president for November was Thomas M. Scott. Second in volume was Leonora E. Olsen. The vice-president by virtue of the number of lives was Mrs. E. V. P. Goodman, and the second in number of lives was T. B. Glading.

The unusual feature of the November work was that of the 38 leaders, 16 were women, and 11 of them are members of Miss Bliven's women's unit. This unit began three and a half years ago at scratch, and this year will pay for approximately \$4,000,000.



## NEWS OF LIFE ASSOCIATIONS

### San Francisco Names Young

**New Association Head Has Been First Vice-president and Chairman of Membership Committee**

SAN FRANCISCO, Dec. 21.—P. G. Young, manager Golden Gate office Metropolitan Life, was elected president of the San Francisco Life Underwriters Association at the annual meeting Monday morning. M. L. Fairchild, Connecticut General Life, is first vice-president; P. M. Jost, Sun Life, second vice-president; Clifford Henderson, Prudential, secretary, and J. F. Johns, Reliance Life, treasurer. Members of the executive committee are D. S. Bates, New York Life; O. B. Bergstrom, Phoenix Mutual; A. K. Deutsch, Equitable of New York; R. J. Gillfillan, California-Western States Life; D. F. Houston, Jr., Mutual Life; G. F. McKenna, Penn Mutual; M. R. Nyman, Northwestern National; Harold Rose, West Coast Life; W. G. Smith, Travelers, and F. C. Whately, Aetna Life.

#### Active in Membership Work

Mr. Young served as first vice-president and chairman of the membership committee of the association the past year. It was through his efforts as chairman of this committee that all agencies of his company in San Francisco came into association membership 100 percent and he is credited with much of the success of the association in maintaining a splendid membership record, particularly during a "post-convention year." Mr. Fairchild was second vice-president and chairman of the program committee the past year. He was also chairman in charge of the sales conference and leading producers' dinner.

The program for the meeting Monday was in charge of Mr. Young and J. O. Klein, manager Burlingame office of the Metropolitan, and took the form of a regular Metropolitan Life agency meeting, with more than 100 representatives of the company participating.

### Study of Part-timers Is Made by Baltimore Group

BALTIMORE, Dec. 21.—An interesting study on part time agents has been completed by the Baltimore Life Underwriters Association. The questionnaires were sent to 53 agencies and of the 34 returning full reports, ten employed part-timers. It was found that the volume sold by part-timers is not great, but there is a great deal of potential business ruined by poor salesmanship and ignorance of the fundamentals on the part of the part-timers. The chief offenders are bank employees, lawyers, teachers and politicians. Several of the general agents felt that the one case man, or tipster, is a greater menace than the little plugger, because he is harder to catch.

#### Part-timers Affect Morale

The activities of the part-timers are extremely detrimental to the morale of the full-time, well trained agent, for a single case worked up by a full-time man and lost to a part-timer rankles in the mind of the former and is trotted out frequently for rehearsal and may affect his production for an undue length of time. Catering to the part-timer and spotter is highly unprofessional and to eliminate them would purify the business as a whole.

At the December meeting R. B. Hull, managing director of the National association, spoke on "Industrial Recovery in Life Insurance." He urged the agents to cooperate with the recovery program.

### Brailey Cleveland President

**New Schedule of Dues Adopted at Annual Meeting—E. J. Wilson, Engelsman Agency, Speaks**

CLEVELAND, Dec. 21.—Earle W. Brailey, general agent New England Mutual Life, was elected president of the Cleveland Life Underwriters Association at its annual meeting. For two years he was head of the general agents and managers division and has been in great demand as a speaker. He was formerly president of the Manchester, N. H., association.

Other officers elected are: First vice-president, E. B. Fisher, National of Vermont; second vice-president, J. H. Rutherford, Phoenix Mutual; treasurer, H. A. Pope, Connecticut Mutual. New directors for a three-year term are C. R. Walker, Equitable of Iowa, and J. H. Byrne, Penn Mutual, both past presidents.

H. G. Wischmeyer, John Hancock Mutual, continues as national committeeman, and G. H. Thobaben as managing director.

Several changes in dues were approved. Membership is extended to industrial field men and assistant superintendents at the rate of \$12 per year. New ordinary agents may become junior members for 15 months or any portion thereof, at the rate of \$12 per year. Dues for resident ordinary field men are reduced for 1934 from \$24 to \$18.

E. J. Wilson, agent in the Ralph G. Engelsman agency of the Penn Mutual, New York City, spoke on "There Are No Strangers."

Toronto, Can.—At the annual meeting of the Toronto association the following officers were elected: President, John C. Ross; first vice-president, C. F. Richardson; second vice-president, George F. Crum; honorary treasurer, C. V. Earl; honorary secretary, J. S. P. Armstrong. The retiring president, Rylee Smith, was elected honorary president.

Galveston, Tex.—The election of officers, scheduled for the December meeting, was delayed until January. F. D. Albritton of Houston, agency director Great Southern Life, spoke on "How to Close." He told the agents the "close" begins before they see the prospect. He also declared that most agents talk too much and that they should give the prospect a chance to talk.

Two amendments to the by-laws, to conform with those adopted by the National association were proposed and adopted. One would reduce the annual dues and the other would make the year end June 30 instead of with the calendar year.

Richmond, Va.—R. B. Hull, managing director National association, spoke at the December meeting on "National Recovery and Life Insurance." After the meeting he was the guest of Northwestern Mutual Life agents who were holding a state meeting in Richmond, making a brief talk to them.

President Hill announced the appointment of a committee on taxation and legislation to safeguard the interests of life insurance at the session of the legislature in January.

Detroit—A survey made by the Qualified Life Underwriters brought out that many members would like to have evening sessions at which matters of general interest and current problems arising in the business could be discussed at a round-table. A committee has been appointed to work out plans for these evening discussion sessions.

President C. A. Macauley, John Hancock, has opened an aggressive sales drive for new members, working through the general agents and managers. H. B. Thompson is handling the drive, which is already showing remarkable results. Mr. Macauley takes issue with critics who say the dues of \$12 per year for

active and \$6 for associate members are too high and points out that the association now has a deficit because it has tried to conduct its activities on a shoestring.

Green Bay, Wis.—The Northeastern Wisconsin association met at Green Bay, electing R. L. Hooker, Massachusetts Protective, president; F. G. Haigh, Lincoln National, vice-president; M. B. Matteson, Metropolitan, secretary, and A. J. Kleinheinz, Equitable of New York, treasurer. R. G. Hepper led the discussion on "Income Settlements." Howard Gitchell, Aetna Life, retiring president, gave a review of the year's work.

Nashville, Tenn.—At the annual meeting the following were elected: John Witherspoon, president, Pacific Mutual; E. T. Proctor, vice-president, Northwestern Mutual; W. L. Mousette, vice-president, Metropolitan Life, and Miss Nelle J. Roche, secretary-treasurer, Massachusetts Mutual; executive committeemen are R. C. Green, Equitable of New York; Cecil Woods, Bankers Life; W. H. Browder, Penn Mutual; Dave Brandon, New England Mutual; Leonard McKeand, Jr., Provident Mutual. Nashville starts 1934 with an increased membership over 1933 and is making plans toward bringing the national convention to Nashville in 1935.

Lexington, Ky.—F. A. Wallis, Paris, state chairman of the NRA, and for many years general agent of the Fidelity Mutual Life in New York City, spoke at the December meeting. He stressed the idea of life insurance to the insured during his lifetime as well as to his dependents following his death.

R. B. Hull, managing director National association, will speak at the January meeting.

Chicago—Six short talks on what to do and say in 1934 will feature the Dec. 28 meeting of the Chicago association. The speakers are Helen Thomas, Equitable of New York; Raymond Darby, trust officer, State Bank & Trust Co., Evanston, Ill.; Fred Snell, Penn Mutual; J. H. Brennan, Fidelity Mutual; Raymond Frank, State Mutual, and Nathaniel Seefurth, president Seefurth Service.

Portland, Ore.—The December meeting was held in the association's new quarters in the Meler & Frank building. W. E. Holman, president Portland junior chamber of commerce spoke on "Life Insurance as an Aid to Business"; L. C. Newlands, president Oregon Portland Cement Company, spoke on "Inflation and Its Effects on Life Insurance," and C. C. Chapman, editor of the "Oregon Voter," on "The Outlook for 1934."

W. E. North, New York Life, has been named general chairman of the sales congress which will be held here Feb. 5.

Saginaw, Mich.—F. W. Boswell, Flint agent of the Equitable Life of Iowa, at the last meeting said the essential qualities of good life insurance salesmanship are represented in the word "Pepper," itself, in its slangy sense, a notable asset to the underwriter. The first "P," Mr. Boswell said, represents preparation, the foundation of real sales success. The first "E," stands for energy. The second and third "P's" represent perspicacity and persistence, the second "E" for enthusiasm, and the "R," for reliability.

Grand Island, Neb.—At the December meeting a resolution was unanimously passed "heartily endorsing the recent action taken by Insurance Director Herdman in his decision on the Occidental Life."

Atlanta—H. J. Crain, Penn Mutual, was elected president at the December meeting. Other new officers are: Vice-president, Charles Adler, Mutual Life of New York; executive committee, R. L. Cooney, New York Life, chairman; S. M. Carson, Aetna Life; H. M. Powell, State Mutual; Oscar Palmour, Connecticut Mutual; L. E. Allen, Northwestern Mutual, and N. E. McKay, Travelers. J. A. Jones, New York Life, is national committeeman. The secretary-treasurer will be nominated by the incoming president and elected in January.

Columbus, O.—C. Vivian Anderson of Cincinnati, president of the National association, spoke at a Christmas party Thursday. Special music was rendered and a song written in honor of Mr. Anderson by C. C. Doyle, president of the

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Columbus association, was sung. Mr. Anderson discussed the making of wills and the disposition of estates.

**Bay City, Mich.**—At the annual meeting Frank Burdick, Metropolitan Life manager, was named president; Harrison Plum, vice-president; Walter Wright, secretary, and Melvin Berry, treasurer.

**Lincoln, Neb.**—These officers have been elected: President, O. R. Frey, Bankers Life of Nebraska; vice-president, E. A. Frerichs, Security Mutual; secretary-treasurer, H. D. Gish, Travelers; executive committee, Ralph Thiesen, Northwestern Mutual; R. C. Graybill, Prudential, and L. M. Palmer, National of Vermont.

Speaking on "Life Insurance and the New Deal," C. P. Peterson, general counsel Bankers Life of Nebraska, said dominant quality of government regulation of life companies is that the companies have been made trustees, and that trusteeship should be extended to all business. The new deal is an effort to lay down definite rules for the conduct of business. The experience of life companies has been successful, and the people will not lose heavily in business if the government can contribute to all business the same things that it has given life insurance.

**Louisville**—R. B. Ferguson, Aetna Life, was elected president. Other officers named were: H. W. Key, Travelers, and C. J. Van Dyke, vice-president; William Cotton, secretary-treasurer. The Louisville association was second in the country in percentage of increase in membership the past year.

**Savannah, Ga.**—The annual meeting will be held Jan. 13.

#### Plan Canadian Meeting

The Canadian Association of Insurance Superintendents will hold its 1934 annual meeting in September, either in St. John or St. Andrews, N. B. Superintendent R. P. Hartley of New Brunswick is president of the association.

## MANAGERS' ASSOCIATION NEWS

### Would Work on Older Men

**S. G. Dickinson of Hartford Presents Some Constructive Thoughts Before the Philadelphia General Agents**

The managers' group of the Philadelphia Association of Life Underwriters at a luncheon had S. G. Dickinson of Hartford as speaker, on "Organizing for Better Selling." He feels that life people are in a "production emergency"—when the fortunes of people are in jeopardy because of the volume of business being produced.

He emphasized the fact that older agents should have first consideration. It will be easier to secure business from their stimulation than from the stimulation of new men—and of equal importance, the persistency record of their business will be vastly better.

Mr. Dickinson advanced the thought that the older agent does not want "to be saved. He does not accept the idea of reformation." He will, rather, be influenced by the simple, specific, odd idea that he can see himself using that day.

As suggested points to develop in the older agents in 1934, Mr. Dickinson recommended four: (1) Making the individual a better man—able to travel in better circles; (2) improvement of agent's prospecting; (3) time control; (4) presentations.

### Soper Is Los Angeles Speaker

LOS ANGELES, Dec. 21.—L. A. Soper, Los Angeles manager of the Phoenix Mutual Life, spoke at the luncheon-meeting of the Life Managers club here on "The agent's morale—keeping your men on a fine edge. How to cultivate and maintain the proper mental attitude."

Mr. Soper told of the recent military campaign staged by the Phoenix Mutual. A number of other managers explained similar drives which they had found effective. A nominating committee was appointed with F. C. Hathaway, Mutual of New York, as chairman.

### Mammel Wichita President

Clayton Mammel, home office general agent of the Farmers & Bankers Life, Wichita, Kan., has been elected president of the Managers' Club of the Wichita life underwriters. J. A. Reinhart, Bankers of Iowa, is vice-president and Charles Weeks, American of Detroit, secretary.

### San Francisco Christmas Party

"The Repeal of Seriousness" was the motif for a Christmas party held by the San Francisco General Agents & Managers Association Wed. Dec. 20. Ray E. Orth, Home Life, president of the association, presided.

### Views on Gold Content

One of the beneficial effects of cutting the dollar's gold content is the driving out of the country of floating international speculative capital, E. M. Chase of the R. G. Engelman agency of the Penn Mutual Life in New York City, states in an interview. Mr. Chase is former manager of the foreign department of the Bank of New York & Trust Company and an expert in international finance.

"The present capital system cracked badly in the last four years because there was a great mass of liquid capital crashing around the world, more than for any other reason," he said. "This great accumulation, amounting to billions, was an aftermath of the war. It had not found a permanent domicile."

After describing the operations of international speculators, he said that "lastly our own banks failed by the thousands and drove capital, at best a timid old woman, to seek holes in the ground in which to hide its gold. But by lowering the gold value of the dollar abroad, Mr. Roosevelt has chased most of this bootleg capital out of the country."

### Standard Accident Lost Case

The Standard Accident of Detroit has lost its appeal in the federal circuit court of appeals in Chicago on the decision by a federal district court jury in Milwaukee a year ago which awarded Mrs. Meta Van Altena, of Whitefish Bay, Milwaukee suburb, \$7,500 on an accident policy issued to her husband, W. E. Van Altena, assistant actuary of Northwestern Mutual Life. Mr. Van Altena was found dead of carbon monoxide poisoning in the garage of his home on Jan. 23, 1932. The Standard Accident refused to pay the \$7,500 and in court sought to show that death was not accidental. The jury decided in favor of the widow and the company appealed, but the decision was affirmed.

### Midwest Life Appointments

C. R. Logan, for the last six years field supervisor for the Midwest Life of Nebraska, has been named manager of the home office general agency at Lincoln. Other new field appointments include B. A. Spence, Carroll, Ia., district manager for west central Iowa, and J. M. Green, Lake City, district manager, for eastern Iowa.

### Present One-act Play

ST. LOUIS.—A one-act play, "Santa Claus Insured," was presented under the auspices of the St. Louis association Dec. 21. The playlet was written by Nelson M. Pope, C.L.U., and his wife was stage director.

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In addition to the protection offered by its thousands of established policy-holders, National Aid Life is today backed by a deposit of \$100,000, held as security by the state, to insure full payment of every just claim.

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Exclusive Life Policy Features  
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LIBERAL AGE LIMITS

Think of offering your customer a life policy in an Old Line Legal Reserve Company at this amazing low cost—a contract that pays cash benefits up to \$1,000 for death, that contains convertibility clauses, income for life, and other features of policies costing many times as much.

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Mail This Coupon for Free Starting Outfit

Sell National Aid Life exclusively, or use it as a "trump card" when you can't sell an expensive policy. You'll make money any way you handle it!

Turn this opportunity into CASH—without spending a cent. Learn how National Aid Life's profit sharing plan will bring you greater profits than you've ever made before. Mail the coupon now and we'll send you Specimen Policy, complete starting outfit, and full instructions. ALL FREE BY RETURN MAIL. Within 10 minutes after opening our letter, you can step from your door and START COLLECTING \$5 BILLS. Don't Delay. Your time is worth up to \$5 an hour FROM NOW ON! Write your address, and MAIL COUPON NOW!

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# MODERN BUSINESS-GETTING METHODS

## Abner Thorp Sees Brighter Days Coming in Life Insurance Field, Due to Challenge and Struggle

An end of the year message to the subscribers of the "Diamond Life Bulletins" has been sent out by Editor Abner Thorp, Jr. Mr. Thorp views 1933 in retrospect and voices no regret over its passing. He comments upon the outstanding features of the year from a life insurance standpoint. In his message he says:

"Well, it's about over—this trying and troublesome year of 1933, and I for one am glad that it has gone. The bank holiday, the life insurance moratorium, failures of mismanaged companies, the hesitation of business during the fall—these have made 1933 a year in which it took all of our courage, all of our optimism, and all of our ingenuity to worry through.

### Challenge and Struggle Have Brought Improvement

"Yet the challenge and the struggle have hardened us a bit; eliminated some of the flabbiness which had been slowing us up during the fat years behind us and as a result we are better prepared to capitalize upon the brighter times ahead. For, everything points to the fact that 1934 will be a better year in every sense. Much of the debris of the depression has been cleared away. Our banking system is being renovated and put upon a sounder base; weak banks will be absorbed or closed up and some plan of guaranteeing deposits will be worked out under government supervision.

"Most important of all, the fundamentals are improving, in spite of all the pessimistic talk, most of which represents the selfish and prejudiced attitude of groups or classes each striving for special privilege and a favored place in the sun. There is no doubt that general business the world over is reviving—slowly in some sections, more rapidly in others—yet moving inexorably forward.

### Life Insurance Is Getting on a Sounder Basis

"And life insurance, too, is emerging from this depression sounder and better managed than ever before. The publicity given to the exploitation of failed companies by greedy and crooked officials will have a salutary effect upon

every employe charged with the trusteeship of policyholders' funds.

"Therefore, waste no time worrying about the future of life insurance. If every other institution were as impregnable as the institution we represent, there would be far less uncertainty and disturbance in our economic and social structure. Never lose sight of the fact that life insurance is a part of the very warp and woof of our national existence. It is impossible to conceive of a stable democratic society without it. It has no substitute and as long as men die prematurely, as long as children need to be educated, as long as widows need financial support to rear families and keep intact our fundamental social unit, the home, life insurance will exist.

"Yet, life insurance will change as new needs are discovered and as the ingenuity and imagination of its leaders

find new ways to make it serve more effectively. Management in our home offices will further eliminate waste and duplication; closer and more sympathetic contact with the field will develop; there will be less nepotism and a freer access to places at the top for those below who are specially qualified.

### Agency Management on More Efficient Basis

"General agents and managers are learning how to economize, how to figure their costs, how to set up an operating budget which will make it possible for them to make a profit not only out of personal production but out of the efficient management of their agencies.

"Agents, gratified and stimulated by closer and more understanding contact with home offices, will cooperate more closely with their managers and thus evolve a stouter loyalty each toward the other.

"The signals all along the line are turning green. The road is opening and we are beginning to move. Let the dead past bury its dead; we go forward to richer, fuller accomplishments."

## Ralph Engelsman Tells Cincinnati People Why Organized Approaches Are Effective in Insurance Work

The Cincinnati Life Underwriters Association was treated to an excellent talk by Ralph G. Engelsman, Penn Mutual general agent in New York City. Mr. Engelsman, who started his general agency from scratch in 1928, writing \$3,500,000 in the first year and about \$9,500,000 this year, took as his subject "Package or Device Selling," meaning organized selling and sales talks.

"There are," said Mr. Engelsman, "two situations facing the agent in the field. One, which is ideal, is when the agent knows enough about the prospect to present a specific sales plan. The other, which constitutes, according to a recent survey, about 63 percent of all calls, is one in which the agent has some, but not complete data. In this case the agent must give the prospect an idea to start the sale, make an impression and try to close.

"As the majority of calls are on people under the second classification, it is logical to have a set sales talk which

is an arrangement of selling ideas in simple, understandable language to lead the prospect to prompt action. Organized sales talks put your ideas in proper sequence and phraseology. Remember that the prospect would rather listen to an organized sales talk that makes sense than to one which is clumsy and ineffective. Use one set organized sales talk with regularity and you will sell. This is not the ideal way to sell life insurance but you will sell. In selling, do not confuse the prospect with technical phrases on cash values, dividends, etc., but stress comfort, safety, the uses to which life insurance can be put. Make the prospect dissatisfied with what he has and uncover a need.

"Organized selling gives you the benefit of taking leading producers with you in your work where you can learn one of their talks from many sources, such as the Diamond Life Bulletins.

"The best actors in the world, if given an excellent play and knowing the plot thoroughly, will put on a very sorry

### Prospectin' Pete Is Used Directly with Prospect

W. O. Comstock, general agent for the National Life in Montpelier, Vt., says that he has found the "Prospectin' Pete" outfit of the Diamond Life Bulletins valuable for direct use with the prospect, with this introduction, "Would you like to have an insurance robot point out your insurance needs?" He finds that with this introduction men are interested in the Prospectin' Pete device and its operation. He then has the opportunity to discuss with these men the various needs and to develop for immediate motivation those which appeal as most important to the prospect.

### Method of Presenting Annuities to Women

In presenting annuities to women familiar with household duties, Mr. Comstock says: "If you had a pound of butter which had to meet the needs of the family for one week, you probably would cut up that pound in seven parts so that a one-seventh part would appear on the table each day. That is what we do when you place your money with the life insurance company for an annuity. We cut up and deliver your money to you in pieces so that it will last over the period for which it must prove sufficient."

performance if they do not know the lines and have rehearsed them. The prospect is your audience and you are the actor and the applause is the application. The objection is raised that one's personality is lost in an organized sales talk. This is not true because different actors playing Hamlet give the same play with the same lines but entirely different personality; so it is in selling.

### Talk Can Be Adapted to One's Own Personality

"Adopt some organized sales talk and use it for a few weeks in your work. At the end of that time you will find that you have changed it to fit your personality and probably will feel that it is your own original talk."

Mr. Engelsman is a great believer in sales talks and uses them himself, as he demonstrated to his audience, using C. Vivian Anderson, president of the National Association of Life Underwriters, as a prospect.

# TO LIFE UNDERWRITERS EVERYWHERE



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## PROSPEROUS NEW YEAR

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### Stress Value of Meetings, Schools

Regular agency meetings and schools have an important place in maintaining morale of agents, helping to organize their work and guiding them in the path of right principles, it was concluded in a discussion of the value of such activities held in the annual meeting of the Chicago Life Agency Supervisors Association.

The discussion was led by E. E. Enoch, supervisor Connecticut General, and J. M. Clark, supervisor John Hancock. Mr. Enoch said a survey by one agency showed only 13 percent of the agents sold \$150,000 a year or better. Another agency study disclosed only 10 percent of the agents made \$200 a month or better.

#### Training Expense Is High

The need of agency training long has been known, but it was estimated that the cost to train an agent ranged from \$500 to \$1,500. Companies turned this problem over to their managers or general agents who, for the most part, busy with recruiting, assigned the educational effort to assistants. Home office correspondence schools were developed to meet this situation, and company traveling schools.

Mr. Enoch said some life insurance men consider there has been too much "stuffing" of the agents, many of whom have become somewhat confused so they are unable to separate the wheat from the chaff, and have had "mental indigestion." Most agencies have a beginners' school which is more or less a company course and often is supplemented with lectures by assistant managers or general agents. Some agencies use the follow-up school.

There are also advanced schools, some of which require that the agent has been in the business three months. A valuable aid is special courses devoted to study of technical sales problems which

may arise, such as the approach, presentation and close, in which the agents may have developed weaknesses.

Mr. Enoch said agents might be classified into two groups, those who lean towards package selling and those who prefer programming. He said there is little use to spend much time in educating the package seller, whereas the other type is susceptible to considerable training.

Mr. Clark gave experience in the Houze agency of the John Hancock, where two meetings a week are held, the regular Monday session and a real educational meeting Saturday morning. He considers meetings of great benefit in giving agents confidence and inspiring a competitive spirit. An effective method used in the Houze agency was setting up of a goal of \$1,000 in commission for each agent in a single week. Letters were sent wives and mothers asking their help in preparing hot suppers for the men, patting them on the back and otherwise encouraging them. The results were highly successful.

#### Push Apps, Not Volume

Mr. Clark said he believes in teaching men to get applications and not talking volume. Another important factor is night work. Mr. Clark considers it far more difficult to close a case in the day time than at night in the home, and says if an agent can be taught to have four definite night appointments a week, he will not fail.

S. A. Kent, assistant manager Prudential ordinary agency, was elected president, succeeding Samuel Leland, Jr., life department manager Fred S. James & Co. Harry Anderson, Rockwood Company, was elected vice-president, and Z. C. Yates, Union Central, secretary-treasurer. Mr. Kent has been secretary during the last year.

### Connecticut Day Is Great Success

(CONTINUED FROM PAGE 3)

necticut business interests towards insurance. Mr. Mooney, in the absence from the city of President Morgan B. Brainard of the Aetna Life, welcomed the visitors.

At the afternoon session Dr. Huebner held an open forum. Several questions implied that his statement describing life insurance as the only investment institution to function normally during the depression, was too broad in view of the moratorium.

In answer Dr. Huebner said the normal function of life insurance is not to take the place of banks and when that is attempted, then an abnormal situation is thrust upon life insurance, making a moratorium necessary.

#### Inflation Arouses Interest

Principal interest during the forum was centered on the effect of inflation upon insurance. A sane, self-liquidating public works program is a safe kind of inflation. He said it is not necessary to inflate to get out of depressions. They burn themselves out and neither at the time of depression descent nor at the time of ascent from depression do outward acts of government have major influence upon the trend. An appreciable rise in commodity prices, he said, does not take place until 18 months or two years after devaluation occurs. He cited France's experience to prove this fact. Inflation would not harm the life companies by endangering their solvency. They would meet their obligations with the same number of dollars called for in the contract, though these dollars might have a 50 percent depreciated purchasing power. The peo-

ple who would be hurt, he said, would be the bond-holders, the savings bank depositors, the building and loan association members, and the people who through the years of the past have placed their funds in life insurance and annuities.

Success depends fundamentally on character, said F. B. Haggard, pastor of the Asylum Street Baptist church in an inspirational talk. Less emphasis on the practical and more on idealism and social justice in business relations was urged by Rabbi A. J. Feldman, Hartford, in the closing address.

#### Connecticut Day Notes

George E. Turner, president of the First Reinsurance, made an ideal chairman of the Connecticut Insurance Day program. He had a happy introduction for each speaker. When he called on Commissioner H. P. Dunham of Connecticut, for instance, he said, "Flock, your shepherd." His comments were pithy, carried a tang of humor, and were always appropriate. Here is a Turner sentence worth remembering: "The only man who has no interest in insurance has no property, no family, no obligations and no hope."

\* \* \*

A large and notable gathering of Hartford executives was present. Connecticut Insurance Day probably brings together more company men of this insurance city than any other event.

\* \* \*

James L. Case, chairman of the program committee, was congratulated on maintaining a program of very high quality in spite of a number of last minute changes. There was great disappointment over the absence of Superintendent G. S. Van Schaick of New York, accompanied by a sympathetic understanding that the guaranteed mortgage problem which is also his, as a state official, was monopolizing his time and attention.

### Policyholder Is Inflation Loser

(CONTINUED FROM PAGE 3)

If inflation should go to such unreasonable lengths in this country as to cause people to flock to the companies demanding their cash values to invest in any kind of equity, it would probably mean another policy loan moratorium, unless inflation was at the same time skyrocketing the values of foreclosed properties to a degree that would enable their quick sale and resultant influx of cash with which to pay borrowers.

#### Governor Gets Missouri Bills

Governor Park of Missouri now has before him three bills intended to strengthen the insurance supervisory laws of the state and is expected to sign them at an early date. The three bills were passed by the senate Monday. They had already passed the house.

One bill requires registration of all life policies and the deposit with the Missouri department of securities for the protection of the reserves on such policies. The second gives the department control over real estate purchases of all companies and is designed to limit investments in home office structures. The third limits insurance companies' purchases of private corporation bonds to securities that have a faultless record as to the payment of interest and principal for at least five years.

### Nothing Wrong!

**D**URING the first five months of 1933 this Company sold more policies than in the similar period of last year. The demand for life insurance is getting stronger. Men of character and industrious habits should be interested in a direct Home Office contract giving liberal first year commissions and non-forfeitable renewals.

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